The University of Chicago

AGRARIAN DISCONTENT IN THE MISSISSIPPI VALLEY PRECEDING THE WAR OF 1812

A PART OF THE DISSERTATION SUBMITTED
TO THE GRADUATE FACULTY IN CANDIDACY
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF ECONOMICS

By
GEORGE ROGERS TAYLOR

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AGRARIAN DISCONTENT IN THE MISSISSIPPI VALLEY PRECEDING THE WAR OF 1812

AGRARIAN discontent has so often played an important part in our history that it is surprising that its importance in the Mississippi Valley preceding the War of 1812 has not been recognized. Western agriculture suffered, as this paper will show, a severe economic depression in the years just before the war, and this depression was an important factor in determining the support which the frontier gave first to the Embargo and Non-intercourse acts and finally to war. To understand western discontent, something of the situation in earlier years must be known. The examination of western economic conditions may well begin, therefore, with the period of prosperity which preceded the hard times of 1808–12.

In the first decade of the nineteenth century, the hunting and trapping frontier receded to the west and north, and, over wide areas, the valleys of the Ohio and lower Mississippi became definitely a farming country. For several years following the Louisiana Purchase this new agricultural West experienced a pronounced boom. The usual optimism and exaggerated anticipations of wealth which we have since learned to expect in such periods were abundantly present. The depression which accompanied the Peace of Amiens had been largely attributed by western farmers to Spanish interference with the Mississippi trade at New Orleans. When, therefore, news reached the West that the United States had purchased Louisiana, the frontiersmen believed that serious obstacles to western prosperity were a thing of the past.

Everywhere on the frontier people now believed that they saw the dawn of a new and prosperous day. A Kentucky editor declared that the undisturbed right to navigate the Mississippi insured in itself ". . . . a perpetual union of the states, and lasting prosperity to the Western country."[1] And a contributor to the *Scioto Gazette* wrote: ". . . . No ruinous fluctuations in com-

[1] *Guardian of Freedom* (Frankfort, Kentucky), July 20, 1803.

merce need now be apprehended. Agriculture may depend upon those steady markets which trade shall open to industry."[2]

With this spirit abroad it is not surprising that settlers came crowding to the frontier in unprecedented numbers. Soon after the transfer of Louisiana to the United States, a great influx of pioneer farmers and adventurers began into the area bounded by New Orleans on the south and the frontier settlements in central Ohio on the north, and reached its crest in the boom years of 1805 and 1806.

One of the first parts of the West to feel the effect of this movement was New Orleans. Governor Claiborne reported, "Every boat from the western country and every vessel from the Atlantic States bring hither adventurers."[3] Tennessee was receiving more immigrants than ever before in her history, the influx being described by Governor Sevier as exceeding "anything of the kind that has heretofore taken place."[4]

But settlers migrated in greatest numbers in the years before the embargo to the region north of the Ohio River. They came not only from the Atlantic states but even from Kentucky and Tennessee. Opposition to slavery or inability to own slaves brought many from the upland regions of the South Atlantic states.[5] An Ohio editor reported in 1805 that the number of immigrants exceeded "all reasonable bounds of calculation,"[6] Fig-

[2] Chillicothe, Ohio, October 1, 1803. See also the *Farmers Register* (Greensburg, Pennsylvania), July 16, 1803.

[3] Claiborne to Madison, New Orleans, February 13, 1804, in J. A. Robertson, *Louisiana under the Rule of Spain, France, and the United States, 1785–1807*, II, 251. Claiborne's letters show that many French fugitives from Santo Domingo sought asylum in New Orleans at this time.

[4] *Senate Journal*, Tennessee, 7 Ass., 1 Sess., p. 13.

[5] Josiah Espy, *Memorandums of a Tour in Ohio and Kentucky in 1805*, "Ohio Valley Historical Series," No. 7 (Cincinnati, 1871), pp. 22–23. A record which was kept at Kennedy's ferry opposite Cincinnati in Kentucky showed the following migration into Ohio from April 1 to December 31, 1805: South Carolina, 669; Kentucky, 568; Virginia, 465; North Carolina, 463; Georgia, 264; Tennessee, 200; Illinois, 10; total, 2,639. On the basis of these figures it was estimated that 30,000 people entered the state in 1805 in addition to those who came down the Ohio River. The *Commonwealth* (Pittsburgh, Pennsylvania), March 12, 1806.

[6] *Scioto Gazette* (Chillicothe, Ohio), November 7, 1805. See also the same paper for April 22, 1805; Rufus Putnam to John May, Marietta, January 17, 1806, *The*

ures given by Cist show that the population of Cincinnati increased 28 per cent from 1800 to 1805 and 142 per cent from 1805 to 1810. As there was but little movement in 1808 and 1809, this Ohio town apparently more than doubled its population in the three years—1805, 1806, and 1807.[7]

Not only was the westward migration in the period between the Purchase and the embargo greater than ever before; but settlers, and speculators as well, gave earnest of their faith in the new country by purchasing, chiefly on credit, large tracts of western land. In the decade before the war, the amount of public land sold in the territory north of the Ohio River reached its highest point in 1805, when 619,000 acres were purchased. In 1806 sales continued high (473,000 acres), but in no other year for the period did they reach the 400,000 mark.[8] State lands also in Kentucky and Tennessee were bought on time, and debtors were to lament in the lean years to come of obligations entered into at this boom period "when commerce was flattering hope."[9]

A wave of optimism once started by a propitious event—in this case the removal of Spanish control over Mississippi River trade—may, as subsequent crazes and booms have shown, go far on its own momentum. Moreover, the ambitious hopes of the frontier farmers had some solid basis. Good land was cheap; and, the land once cleared, crops flourished and harvests were abundant. What could be more encouraging to the farmers who had just left exhausted soils on the eastern coast or the infertile lands of the Appalachian Plateau?

And, for a time at least, the problem of marketing did not seem over-serious. As long as immigration continued at full tide, those producers living along the line of travel found a ready market by

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John May Papers, Western Reserve Historical Society Tract No. 97, p. 191; *Stewart's Kentucky Herald* (Paris, Kentucky), December 16, 1805, Governor Tiffin to Ohio state legislature; and Daniel Drake, *Natural and Statistical View or a Picture of Cincinnati and the Miami Country, Etc.* (Cincinnati, 1815), p. 131.

[7] Charles Cist, *Cincinnati in 1841: Its Early Annals and Future Prospects* (Cincinnati, 1841), p. 38.

[8] *American State Papers, Finance*, Vol. II, *passim*.

[9] *Carthage Gazette* (Carthage, Tennessee), December 15, 1809.

supplying the needs of the migrants. And farmers already established in the areas to which the new settlers came found the newcomers good customers for that season at least until their lands were cleared and their first crops harvested. Few, if any, worried about this metamorphosis, and everywhere new settlers were welcomed not only because they purchased the surplus produce but also because they brought money into the country.[10]

But especially stimulating to the high hopes of 1805 was the behavior of prices for western staples. The whole price situation has been dealt with in detail elsewhere.[11] Here it will suffice to point out that the extremely low prices of 1802 and 1803 had improved in 1804 and had reached in 1805 the highest level to be attained before the war. The year following saw slightly lower levels; and in 1807 the downward trend was clearly evident, though not to be compared with the precipitous decline of the embargo year which succeeded it.

From the vantage point of over one hundred years after the event, the fact is clear enough that the western agriculturist of 1805 was, despite elimination of Spanish interference on the Mississippi, abundant harvests, increased immigration, and high prices for western products, much more sanguine in his expectations of prosperity than fundamental conditions justified. Even without the embargo and non-intercourse of 1808 and 1809, it cannot be doubted that the bubble of 1805 would soon have burst. Time, it is true, was to iron out many of the obstacles to western prosperity; in the long run the West was in truth a land of promise. But underlying weaknesses existed in the immediate situation; and the most important of these must now be considered, although extended comment is not possible within the limits of this article.

Most serious was the problem of transportation. The physical obstacles to getting western products to market in the days before the steamboat and the railroad were even greater than is gen-

[10] See, for example: *Scioto Gazette* (Chillicothe, Ohio), October 1, 1803; *Guardian of Freedom* (Frankfort, Kentucky), June 9, 1804; and *Clarion* (Nashville, Tennessee), February 16, 1808.

[11] See the author's "Wholesale Prices in the Mississippi Valley Preceding the War of 1812," *Journal of Economic and Business History*, III, 148–63.

erally realized.[12] Some furs and peltries were being sent up the Ohio and over the mountains as late as 1811; but as the hunting and trapping areas moved westward, most of these products were exported by way of either the Mississippi or the St. Lawrence route.[13] When flax and hemp were bringing extremely high prices in 1809 and 1810, considerable quantities of rope, yarn, cordage, country linen, and twine were carried overland.[14] Cattle, horses, and even swine were sometimes driven literally hundreds of miles from Ohio, Kentucky, and Tennessee to Atlantic markets.[15] But the difficulties which attended this transmontane exportation are so patent that the small overland trade which did take place is chiefly a testimony to the obstacles by the Mississippi route. So great were the drawbacks to land transportation from western Pennsylvania, to say nothing of the vast region farther west, that the wagons which brought the needed imports from Philadelphia to Pittsburgh customarily returned empty.[16] Such frontier staples as hemp, flour, bacon, and even whiskey simply could not stand the cost of carriage over the mountain roads.

In consequence, Ohio Valley produce had to be sent a thousand miles or more down the Ohio-Mississippi river system to Natchez or New Orleans. This trip usually took about a month, and was beset with perils and hardships from beginning to end. To begin

[12] Not until after the War of 1812 did the steamboat become a real factor in Mississippi River commerce.

[13] See, for example, *Louisiana Gazette* (New Orleans), April 16, 1810, and Letter Book of Joseph Hertzog, Joseph Hertzog to Christian Wilt, Philadelphia, Pennsylvania, May 2, 1811, in the Hertzog Collins Collection, Missouri Historical Society Library, St. Louis, Missouri.

[14] Zadok Cramer, *Cramer's Pittsburgh Magazine Almanack for 1809*, p. 29; *Star* (Raleigh, North Carolina), September 27, 1810; *Supporter* (Chillicothe, Ohio), February 2, 1811, from the *Commonwealth* of Pittsburgh. See also correspondence of James Wier, especially during 1808 and 1809, Letter Book of James Wier in the Draper Collection of the Wisconsin Historical Society.

[15] There are many contemporary references to this trade. For interesting statements regarding it see *Carthage Gazette* (Carthage, Tennessee), March 22, 1811; *Palladium* (Frankfort, Kentucky), January 28, 1808; *Kentucky Gazette* (Lexington, Kentucky), December 8, 1807; and *Ohio Centinel* (Dayton, Ohio), December 13, 1810.

[16] *Kentucky Gazette* (Lexington, Kentucky), January 9, 1800, and F. A. Michaux, *Travels to the Westward of the Allegany Mountains, Etc.* (London, 1805), p. 73.

with, flatboats must be built at no little trouble or bought by the farmer who typically lived not far from some small tributary of the Ohio River.[17] Then the flats must be ready and loaded to take advantage of the first high water. This part of the journey, often several hundred miles down small tributaries to the Ohio, was full of hazards. If the waters were at flood, the boats often became unmanageable, and there was loss of boat and cargo. If the season was unusually dry, the flat might never even get started for market. If the rains were of too short duration or the trip delayed a few days too long, the river might go down before the Ohio was reached and flatboats be caught high and dry on sandbars, there to remain for months while their cargoes spoiled and their owners returned to their farms to raise more produce which must again run similar risks.

The perils of the trip down the Ohio and Mississippi can be hardly more than suggested. No river improvements had yet been made. Snags and bars were a constant menace. Travel at night, especially over the most dangerous sections, was extremely perilous; yet the river was liable to such sudden changes in the height of its water that tying up to the bank for the night might mean, at best, delay, at worst, loss of the entire cargo.

As the end of the journey approached, new dangers arose. The wideness of the river, combined with the frequency of storms accompanied by strong winds, was often fatal to the low-sided, wallowing flats. Every storm took its toll of these clumsy craft. If it was accompanied by rain, the cargo of flour or cotton, tobacco or cordage, might be ruined by water. If other hazards were avoided, the warm and humid climate of the south might cause the flour or pork to spoil before the market was reached.

But physical hazards were not all. From Cairo to Natchez the trip was made through a wild, unsettled region. Indians, and

[17] If the flatboat was bought, it cost from fifty dollars to more than twice that figure. It was an operating expense, for at New Orleans flats were abandoned or broken up and sold for lumber. *Palladium* (Frankfort, Kentucky), July 15, 1802; J. S. Bassett (ed.), *Correspondence of Andrew Jackson*, I, 94; Christian Schultz, *Travels on an Inland Voyage* (New York, 1810), I, 132 and 138; John Melish, *Travels in the United States of America, in the years 1806 and 1807, and 1809, 1810, and 1811, Etc.* (Philadelphia, 1812), II, 85, and F. A. Michaux, *op. cit.*, p. 224.

more especially renegade whites, preyed on the river trade. River pirates throve, and their exploits have become legendary.

The crew of each flat numbered from three to five men. They must be paid for their services and supplied with food on the journey. If the farmer accompanied his own shipment, as was often the case, he must be absent for months from his farm. If he left home in December or January (most started even later), he was fortunate if he got to market, disposed of his cargo, and returned safely by land over the robber-infested Natchez trace in time to plant his crops for the next season. Many, indeed, never returned, for the Ohio Valley farmers were especially susceptible to the fevers common in the lower Mississippi. Each year as spring advanced into summer Natchez and New Orleans were full of flatboat men too sick to attempt the journey home and for whom no hospital facilities were available.[18]

The same difficulties of transportation which hindered western producers from getting their surplus to market made the bringing in of their imports very costly. Though self-sufficing to a considerable extent, the frontier was dependent upon the eastern states and foreign countries for a great variety of products, including most manufactured goods. For example, the letter books of James Wier, a leading merchant of Lexington, Kentucky, show that he imported coffee, tea, sugar, chocolate, prunes, spices, wines, needles, velvet ribbons, muslins and other kinds of cloth, men's slippers, crockery, lead, brimstone, glue, and a host of other commodities which even the unpretentious people of the frontier regarded as necessary to their happiness.

Except to ports on the lower Mississippi, such as Natchez and

[18] A wealth of contemporary material exists on the conditions of the early river trade. Many interesting descriptions are to be found not only in the correspondence of James Wier and Andrew Jackson referred to above but also in the writings of early western travelers such as John Bradbury, Fortescue Cuming, H. B. Fearon, Timothy Flint, Henry Ker, John Melish, and Christian Schultz. Illuminating side lights on the river trade are to be found in the following: *Palladium* (Frankfort, Kentucky), April 8 and 22, 1802, and March 17, 1808; *Ohio Centinel* (Dayton, Ohio), August 9, 1810, and May 15, 1811; *Scioto Gazette* (Chillicothe, Ohio), August 12, 1805; and the *Mississippi Herald and Natchez Gazette* (Natchez, Mississippi Territory), September 23, 1806. Most valuable of all perhaps are the New Orleans customs records in the Library of Congress.

New Orleans, importations up-river remained relatively small until the advent of the steamboat. Forcing a barge up the Mississippi was a peculiarly difficult task. Not only was the current strong and treacherous, but the river bottom was often too soft for poling and the banks unsuited for towing. Every device then known for forcing a craft through water was attempted. Oars, sails, setting poles, treadmills operated by horses, "bush-whacking," and the cordelle, all were tried, and still the journey remained so slow, arduous, and uncertain that the passage from New Orleans to Louisville took three months and freight charges were from three to five times as high as down-river rates.[19]

Little wonder, then, that despite the inherent difficulties of land transportation most western imports were hauled three hundred miles by Conestoga wagon to Pittsburgh or Wheeling and then floated on the rivers often several hundred miles farther to local distributing centers. But the burden upon the frontier was great which ever route was used. The cost of carriage over the mountains is illustrated in the dealings of the Lexington merchant mentioned above. In 1808 he appears to have paid a little over two hundred dollars to have two wagon loads of goods brought from Philadelphia to Pittsburgh.[20]

The fact emerges from a survey of the physical conditions of the overland and river trade that the frontier suffered a severe handicap by reason of transportation difficulties. It has been insufficiently appreciated that, in point either of time or cost of carriage, Philadelphia was in the first decade of the nineteenth century nearer to Liverpool, Lisbon, or Havana than it was to Chillicothe, Lexington, or Nashville.[21]

[19] One of the best descriptions of the difficulties of this up-river trade is to be found in Timothy Flint, *Recollections of the Last Ten Years*, pp. 91–92. Down-river rates were usually given as a cent or a little more a pound. See *Tennessee Gazette* (Nashville, Tennessee), February 18, 1801; Wier, *op. cit.*, James Wier to Thomas Fitzpatrick, Lexington, Kentucky, February 23, 1805; Christian Schultz, *op. cit.*, II, 186–87. Up-river rates from New Orleans to both Tennessee and Kentucky as quoted in the *Louisiana Gazette* of New Orleans were ordinarily five cents a pound.

[20] Wier, *op. cit.*, James Wier to Abner Barker, Lexington, Kentucky, September 10, 1805.

[21] Freight rates from Philadelphia and Baltimore to Pittsburgh were usually given as $5.00 per hundred or even higher. Shipments to Lexington cost $7.00 or

Slow and unreliable communication of market information also added to frontier difficulties. This was due in part to the obstacles to travel emphasized above and in part also to the undeveloped trade organization of the frontier community. For news of market conditions the western merchant or farmer depended upon prices current either printed in the newspapers or communicated privately by letter. By 1810 the good-weather time for post riders from Philadelphia to Lexington was still at least two weeks. From New Orleans letters could, under favorable conditions, be delivered in Kentucky in twenty-five days.[22] Obviously the slow movement and frequent delays of the mails were of great disadvantage to those who shipped goods down the Ohio, for, as a result, they had to select their cargoes in the light of market information already nearly a month old, in addition to shipping goods which would, in all probability, be at least four or five weeks in getting to market.

This handicap was made all the more serious by the presence of eastern speculators. The editor of the *Kentucky Gazette* complained that because of the slowness of the mail:

> A speculator . . . . can hasten [from Philadelphia or New Orleans] . . . . purchase our production on his own terms, and lay the whole western country under contribution . . . . before we can have any information as to the change in price of produce in the markets of those places . . . . fortunes have often been made in this way . . . . when the loss of a battle, the death of a Bonaparte, or the fall of a minister of state, may change the course of business, and improve or depress markets.[23]

The undeveloped financial organization of the West can hardly be more than mentioned here as still another of those factors which contributed to the fundamental economic difficulties of the frontiersman. A scarcity of money often existed for the payment of taxes or to meet the ordinary needs of trade. Barter, everywhere common for small payments, was almost the only mode of

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$8.00 and to Cumberland $9.00 or $10.00 per hundred pounds. See for example, *American State Papers*, Miscellaneous II, 117; John Melish, *op. cit.*, II, 52; *Farmers Register* (Greensburg, Pennsylvania), September 1, 1804; and Letter Book of Joseph Hertzog, Joseph Hertzog to Christian Wilt, Philadelphia, March 20, 1811.

[22] *Kentucky Gazette* (Lexington, Kentucky), October 9, 1810. [23] *Ibid.*

exchange in the more remote settlements.[24] Public officers' receipts and land warrants were commonly issued by the frontier states; and, although helping somewhat to make up for the scarcity of other media, they were often unsatisfactory because subject to depreciation.[25]

Banking facilities developed beginning with the establishment of the Kentucky Insurance Company in 1802.[26] But, for most of the West, banks were just getting well started by 1812. Despite help from merchants who dealt in exchange and branches of the First Bank of the United States which were set up at Pittsburgh and New Orleans, payments at a distance were often costly and difficult to make.[27]

Probably more serious than the imperfect financial machinery

[24] See, for example, *Scioto Gazette* (Chillicothe, Ohio), October 1, 1803; *Dayton Repertory* (Dayton, Ohio), December 14, 1809; *Natchez Gazette* (Natchez), October 17, 1811; and Marshall to Bosseron, Vincennes, June 7, 1800. Lasselle Collection, Indiana State Library. For an example of the almost complete absence of money in the more isolated regions, see Jonathan S. Findlay to James Findlay, Natchez, November 24, 1805, "Selections from the Torrence Papers," *Quarterly Publications of the Historical and Philosophical Society of Ohio*, IV, 108–9. Major William Stanley, when he was about to start on a trip down the Ohio River, made this matter of fact notation in his diary: "sell my horse for 650 lbs. Bacon" ("The Diary of Major William Stanley, 1790–1810," *Quarterly Publications of the Historical and Philosophical Society of Ohio*, XIV, 29).

[25] *Stewart's Kentucky Herald* (Paris, Kentucky), December 16, 1805; *Independent Gazetteer* (Lexington, Kentucky), June 14, 1805; *Western Herald* (Steubenville, Ohio), December 27, 1806; and *Western American* (Bardstown, Kentucky), April 5, 1805. See also C. C. Huntington, "A History of Banking and Currency in Ohio before the Civil War," *Ohio Archaeological and Historical Society Quarterly*, XXIV, 262; and R. T. Durrett, "Early Banking in Kentucky," *Proceedings of the Kentucky Bankers' Association, 1892*, p. 37.

[26] The original act chartering the Kentucky Insurance Company may be found in the *Kentucky Gazette* (Lexington, Kentucky), January 18, 1803, and in *Acts of Kentucky*, 11 Ass., 1 Sess., pp. 149–59. Although, as the name implies, this company wrote marine insurance, it does not appear that most western farmers insured their river shipments. See *Palladium* (Frankfort, Kentucky), April 10, 1806, and *Louisiana Gazette* (St. Louis, Missouri), August 16, 1810.

[27] Notes on eastern banks often brought a premium on the frontier because of their superiority to specie in making distant payments. Western merchants found it necessary at times to assume the risk and expense of transporting the heavy silver specie over the mountains. *Palladium* (Frankfort, Kentucky), January 12, 1805, and March 6, 1806; F. A. Michaux, *op. cit.*, pp. 157 ff.; Charles Cist, *The Cincinnati Miscellany*, I, 6; Fortescue Cuming, "Sketches of a Tour to the Western Country, Etc., 1807–1809" in Thwaites' *Early Western Travels*, IV, 183–84.

was the scarcity of capital. The settlers did not bring much capital with them, nor had the country been settled long enough to develop its own surplus. As yet little eastern capital flowed westward except as Atlantic merchants gave long credits to their frontier customers. The complaint of scarcity of money so frequently found in western newspapers no doubt often arose in reality from a scarcity of capital. Even in western Pennsylvania, one of the earliest settled portions of the West, the farmers did not, according to a newspaper account, have capital to invest even in such needed improvements as turnpikes.[28]

Finally, as a new, extensive, and sparsely settled region, the frontier suffered, as we should expect, from an imperfectly developed business and marketing organization. Importing was largely in the hands of small firms, usually partnerships, which were dependent upon Philadelphia or Baltimore merchants for long-term credits. As time went on, the function of receiving and forwarding goods was placed more and more in the hands of commission houses at such centers as Pittsburgh and Cincinnati. But for many years these small-scale western merchants commonly carried out the whole process, purchasing in Philadelphia, superintending transportation to the frontier, storing, retailing, and carrying back to the Atlantic Coast money, bills of exchange, or, more rarely, west-country produce.[29]

But especially in the disposal of his exportable surplus did the frontier argiculturist suffer from lack of adequate marketing machinery. In order to get his produce to market, the farmer had often to assume the risk of carrying his own produce to New Orleans and there disposing of it as best he could. In the words of a contributor to the Frankfort *Palladium* the producer became "a navigator, and a trader."[30]

[28] *Commonwealth* (Pittsburgh, Pennsylvania), May 28, 1806, and *Western Spy* (Cincinnati, Ohio), November 10, 1802. A Kentuckian stated in 1805 that private lenders received from 10 to 50 per cent on loans. *Independent Gazetteer* (Lexington, Kentucky), June 14, 1805.

[29] See the correspondence of James Wier and Andrew Jackson referred to above, also Christian Schultz, *op. cit.*, II, 22; Morris Birkbeck, *Notes on America* (2d ed., London, 1818), pp. 89–90, and Henry B. Fearon, *Sketches of America, Etc.* (2d ed., London, 1818), p. 231.

[30] April 10, 1806. See also *Western American* (Bardstown, Kentucky), March 29, 1805.

Had this farmer-trader found a well-organized market at Natchez or New Orleans, he might not have fared so badly when he arrived at the lower river port. But one who had probably engaged in this trade himself wrote:

> He there meets with strangers—his time is precious—new expences ensue —the climate is unfriendly both to his own health, and the preservation of his cargo. The market may be dull—he cannot wait—he sells of necessity at what he can get, and he returns home after a long and fatiguing journey, with but little money, and less health. . . . .
>
> . . . . when the whole profit and loss is summed up, there are few I believe who do not find it a bad business. What is here said of the adventuring farmer, may be applied to all exporters on a small capital.[31]

Especially disadvantageous must have been what the writer quoted above described as "the want of some established mode of doing business between the citizens and traders." Is it surprising that the farmer-adventurer often made hurried and bad bargains at New Orleans? In a market glutted with produce, he was a stranger, often unused to the forms of trade and ignorant as to the state of the market. Fearful of the oncoming "sickly season" or even of "the danger of robbery and assassination," he sold quickly for whatever he could get and returned to Kentucky to tell of the "unprincipled speculators" and "rapacious agents" at New Orleans or to attribute the low prices to combination among the purchasers.[32]

Complaint that west-country merchants did not help the farmers to market their produce was repeatedly voiced in western newspapers; and when a merchant did engage in exporting farm produce down the rivers, he was hailed in the press as a public benefactor.[33] Numerous attempts were made to establish some agency which would be primarily concerned in marketing the farmers' surplus produce. In Ohio a number of attempts were

[31] *Palladium* (Frankfort, Kentucky), April 10, 1806.

[32] *Kentucky Gazette* (Lexington, Kentucky), October 18, 1803, Aristides; and *Palladium* (Frankfort, Kentucky), April 15, 1802.

[33] See for example the *Reporter* (Lexington, Kentucky), December 5, 1809; *Scioto Gazette* (Chillicothe, Ohio), October 1, 1803; *Clarion* (Nashville, Tennessee), February 16, 1808; and *Democratic Clarion and Tennessee Gazette* (Nashville, Tennessee), August 10, 1810.

made to set up stock companies for this purpose.[34] And at Nashville (1810) a newspaper published a long series of articles urging that the state take over the marketing function which, according to the writer, the farmer could not and the merchant would not assume.[35]

As a result, in part at least, of the absence of old, established firms and accepted ways of doing business, western products were usually poor in quality and bore a bad reputation.[36] Ohio River Valley flour usually sold at New Orleans for several dollars less than the Atlantic product. A New Orleans merchant declared, "There is . . . . a manifest repugnance shewn by the merchants, to ship it to foreign markets, where the quality is always found inferior to that of the Atlantic States, and almost invariably proves rotten at the end of two or three months."[37] Nor were other products much better. Kentucky producers were accused of putting up "everything that ever looked like tobacco."[38] Despite many attempts at state regulation, complaints were frequent of western corn and hemp and the "extreme bad quality" of Ohio

[34] *Western Spy and Hamilton Gazette* (Cincinnati, Ohio), August 17, 1803; *Liberty Hall* (Cincinnati, Ohio), August 29, September 26, October 3, 10, and 17, 1810.

[35] *Democratic Clarion and Tennessee Gazette* (Nashville, Tennessee), May 4–Oct. 26, 1810, series signed "A Farmer." Of course, some down-river exportation was done by the west-country merchants, and even Philadelphia houses occasionally engaged in it. In so far, however, as the merchants did enter this trade, they confined their operations largely to cotton, tobacco, hemp products, and, in western Pennsylvania, to flour. Practically all exporting from New Orleans was done by local merchants and agents or factors for mercantile houses in Atlantic Coast cities or Great Britain. *Mississippi Herald and Natchez Gazette* (Natchez, Mississippi Territory), July 26, 1805; *Palladium* (Frankfort, Kentucky), February 10, 1803; *Candid Review* (Bairdstown, Kentucky), December 9, 1807; and New Orleans customs records, Library of Congress.

[36] Other factors, such as the crudeness of western flour mills and cotton gins, were of course important. Emphasis on quantity rather than fine quality is perhaps typical of frontier regions.

[37] *Louisiana Gazette* (New Orleans), August 8, 1806. It was reported from New Orleans that "the reputation of Kentucky flour, formerly bad enough, is this year ten times worse than ever, so much Weavel eaten flour; and even *old flour with boles filled with fresh flour*, has been sold here . . . ." (*Kentucky Gazette* [Lexington, Kentucky], June 21, 1803; italics in the original text). For other references to the inferior grade of this frontier product see for example, *Palladium* (Frankfort, Kentucky), July 15, 1802, and February 4 and March 17, 1808.

[38] *American State Papers*, Miscellaneous, I, 709.

Valley pork.[39] Baltimore merchants threatened to boycott Louisiana sugar producers unless their product was shipped in proper casks; and at Liverpool cotton importers deplored the presence of leaves, dirt, and considerable quantities of seed in bales of western cotton.[40]

No one of the drawbacks described above nor all of them together were necessarily fatal to western hopes, for, though difficulties are great and costs high, if prices are still higher, prosperity may yet be obtained. Still these difficulties surely tended to make the West of this period a sort of marginal area in relation to world-markets. When world-prices ruled high, Monongahela and Kentucky flour could be disposed of in competition with that from Virginia and Maryland. Likewise, when cotton and tobacco brought good prices, the Kentucky and Tennessee product could be sold along with that of the Atlantic states and still yield a profit to distant western farmers. But when markets were dull and prices falling, western producers not only saw the fading of their roseate hopes but often enough found themselves in desperate straits to secure necessary imported commodities or to meet obligations for land bought on credit when hopes ran high with prices.

Free navigation of the Mississippi, unprecedented immigration, and unusually high prices had brought a great wave of optimism to the West following 1803, despite the underlying difficulties just considered. The peak year proved to be 1805, but times were relatively good in 1806 and 1807 except for those parts of the West which were adversely affected by glutted markets and lower prices for west-country provisions. Acute depression did not come until 1808.[41] The price situation of that year speaks for itself. Since 1805 the index of wholesale prices of

[39] See the *Orleans Gazette* (New Orleans), April 20, 1805; the *Louisiana Gazette* (New Orleans), August 8, 1806; *Liberty Hall* (Cincinnati, Ohio), April 9, 1808; and the *Kentucky Gazette* (Lexington, Kentucky), February 28, 1804.

[40] See the following New Orleans newspapers: *Orleans Gazette*, August 3 and September 18, 1805; *Union*, January 23, 1804; *Louisiana Gazette*, September 23, 1804.

[41] The building of seagoing ships at Ohio Valley river ports, which had generated tremendous enthusiasm earlier in the decade, had been proved an impractical venture several years before the embargo. This ship-building boom is one of the few *local* matters upon which the student may find very full comment in the western

western products at New Orleans had fallen over 20 per cent. Except for hemp growers in Kentucky and infant manufacturing interests at Pittsburgh and Lexington, practically the whole West was prostrated.[42]

Immigration into Ohio seems virtually to have ceased, and land sales north of the Ohio River were greatly reduced.[43] Those who had previously purchased lands now found it impossible to meet their obligations. In a petition to Congress the legislature of Ohio stated:

> . . . . the unprovoked aggressions of both England and France, which could neither be foreseen or evaded, has so materially affected the whole commerce of the United States, that it has almost put a stop to our circulating medium, and rendered the payment of the installments of the purchase money for the . . . . lands almost impracticable; forfeitures of interest for two, three and four years, are daily accruing.[44]

Stay-laws and relief for debtors were the rule in Kentucky, Tennessee, and Mississippi Territory,[45] and depressed conditions were reported at New Orleans as early as April, 1807.[46]

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press. The authoritative study of this episode in Ohio Valley history is Archer B. Hulbert's "Western Ship-Building," *American Historical Review*, XXI, 720–33. Hulbert's suggestion that the failure of the experiment was due to the embargo is not acceptable. The insuring of the right of deposit at New Orleans by the Louisiana Purchase, combined with the repeated disasters experienced in getting seagoing ships down western rivers, had brought about a decline certainly before the embargo and probably as early as 1805.

[42] Probably Kentucky suffered less from the embargo than other parts of the frontier. See Samuel G. Adams to Harry Innes (?), Richmond, July 15, 1809, *Harry Innes Papers*, Vol. XXI, Library of Congress, and the author's *Prices in the Mississippi Valley* referred to above.

[43] Jarvase Cutler, *A Topographical Description of the State of Ohio, Indiana Territory, and Louisiana, Etc.* (Boston, 1812), p. 11; *Liberty Hall* (Cincinnati, Ohio), July 11, 1810; Daniel Drake, *loc. cit.;* and *American State Papers, Finance*, Vol. II, *passim.* On May 7, 1808, a resident of Marietta, Ohio, wrote that no land could be sold at that place "on account of the scarcity of money & the stoppage of business." Rufus Putnam to John May, Marietta, John May Papers, Western Reserve Historical Society Tract No. 97, p. 202.

[44] *Acts of Ohio*, 7 Ass., 1 Sess., pp. 222–23.

[45] *Palladium* (Frankfort, Kentucky), February 16, 1809; *Senate Journal*, Tennessee, 7 Ass., 2 Sess., pp. 6–8; *Annals of Congress*, 10 Cong., 2 Sess., 1246; and *Weekly Chronicle* (Natchez, Mississippi Territory), October 12 and December 14, 1808.

[46] *Palladium* (Frankfort, Kentucky), June 11, 1807, see a copy of a letter from Sanderson and White, New Orleans Commission merchants dated April 6 1807

Two main remedies for the situation received increasingly enthusiastic support from the frontiersmen in the period of falling prices and hard times, which began for parts of the West as early as 1806, became general by 1808, and continued down to the War of 1812 with but partial and temporary relief in 1809–10. One was the development of manufactures; the other was forcing the European powers to repeal their restrictions on our foreign commerce. Of course, still other remedies were advocated from time to time. Occasionally, some one saw clearly enough that fundamental difficulties of marketing, of transportation, and of business and financial organization must be overcome.[47] Some violent partisans believed all would be well if only the Federalists might be returned to power and the national government thereby saved "from the incapacity . . . . of our own rulers, and the want of that pure patriotism" which distinguished the time of Washington.[48] Even the moralists were present to attribute economic ills to the laxity of the laws and the absence of a feeling of moral responsibility on the part of the people.[49] These, and other solutions were suggested, but the two most popular measures of relief were those intended to stimulate manufactures and those designed to force Great Britain to modify her commercial system.

The enthusiasm for manufacturing cannot be dwelt on here. The following statement from the *Western Spy and Miami Gazette* may be regarded as typical of this western attitude:

> Raise articles of produce, which can be manufactured, rather than such as require a foreign market; Rye to distill; Barley to brew; Flax and Wool to spin, rather than Wheat to ship.
>
> Above all *observe* the household manufactures of your neighbors. *Observe* the accounts of them in the newspapers. Immitate what you see manufactured. . . . . Shew our foreign spoliators we can live in comfort without their finery.[50]

[47] See for example, *Democratic Clarion and Tennessee Gazette* (Nashville, Tennessee), August 10, 1810, contribution signed "A Farmer"; and *Palladium* (Frankfort, Kentucky), April 10, 1806.

[48] *Natchez Gazette* (Natchez), October 17, 1811.

[49] *Louisiana Gazette* (New Orleans), March 7, 1811.

[50] August 13, 1808; italics in the original text. See also for similar statements: *Reporter* (Lexington, Kentucky), September 8, 1810, and February 23, 1811, and *Carthage Gazette* (Carthage, Tennessee), April 25, 1811.

Our attention in this paper is centered primarily upon western attempts to mend their failing fortunes through supporting commercial coercion and war. An understanding of the course of frontier opinion in respect to these measures involves, first, a realization of the degree of support which the West gave to the Embargo Act of December, 1807, and, second, an appreciation of the importance of economic motives in prompting the West to support a measure accompanied, as this one was, by widespread depression. An examination of the situation reveals that in his policy of commercial coercion President Jefferson received no more faithful support than that which came from western congressmen. Almost to a man, they voted for the original act of December, 1807, which placed a general embargo on foreign trade; and they supported him loyally in the numerous measures which followed to make its operation effective. When, in November, 1808, the House of Representatives by the very close count of fifty-six to fifty-eight voted to continue the measure in effect, the western members were solidly with the majority.[51] And the next spring, when others weakened, western congressmen stood out for the continuance of the embargo, or, failing that, for the adoption of a non-intercourse act. A westerner, George W. Campbell, of Tennessee, was one of the Senate leaders who held out most firmly against any loosening of commercial restrictions.[52]

On the whole, the citizens of the western states were just as enthusiastic for commercial restrictions as their representatives in Congress. Yet some frontier opposition did appear. At Pittsburgh and Presque Isle (Erie) in Pennsylvania, and in parts of Ohio where some Federalism still survived (e.g., Dayton and Chillicothe), newspaper writers vigorously attacked the measure.[53]

[51] *Annals of Congress*, 10 Cong., 2 Sess., p. 500.

[52] See for example, *ibid.*, pp. 1475–87, 1499, and 1541. Matthew Lyon, of Kentucky, was the only western representative in Congress who opposed the embargo and deprecated talk of war with England. *Annals of Congress*, 10 Cong., 1 Sess., p. 1222, and 2 Sess., pp. 1504–5. In spite of his early services to his party, his constituents were unwilling to have such a representative, and August 18, 1810, the Lexington *Reporter* announced that "the apostate Lyon" had failed of re-election. See also the *Reporter* (Lexington, Kentucky) for July 1, 1809.

[53] On Federalism in Ohio before the War of 1812, see Homer C. Hockett, *Western Influences on Political Parties to 1825*, pp. 54–62.

In Kentucky, the *Western World* of Frankfort, a paper with an extremely small following, was the only one in the state antagonistic to the embargo.[54] As might be expected from the presence of commercial and shipping interests, some active disapproval appeared at New Orleans, where at least two of the newspapers attacked the measure.[55] Even here probably the group opposed to the embargo formed but a small minority. Its size, however, may have been minimized by the intensely partisan Governor Claiborne, who wrote to Madison: "Two or three British Factors, and some violent Federalists censure the Embargo, but the better informed, and worthy part of Society, appears highly to approve the measure."[56]

Despite the opposition noted above, the frontier was, as a whole, no less favorable to the embargo than its representatives in Congress. The commercial boycott had been successfully used against England in our earlier struggles, and it now seemd to westerners a natural and powerful weapon.[57] State legislatures, local political leaders, and public meetings expressed their enthusiastic approval.[58] Most western newspapers printed articles which ardent-

[54] The attack on the embargo which one finds most often in these opposition papers is to the effect that the Democrats are ruining the country in an attempt to help the French.

[55] *La lanterne magique* and the *Louisiana Gazette*.

[56] Claiborne to Madison, New Orleans, June 8, 1808, D. Rowland, ed., *Official Letter Books of W. C. C. Claiborne*, IV, 176. The suggestion in a New Orleans paper that the people of Orleans Territory were opposed to the restrictions on trade brought a vigorous denial in the *Courrier de la Louisiane* for June 3, 1808.

[57] In what was perhaps the first book of a political character printed in the Trans-Appalachian region, Allan B. Magruder advocated the so-called "Chinese policy" and expressed the belief that foreign nations could best be coerced by depriving them of the benefits of commerce with us. *Political, Commercial and Moral Reflections on the Late Cession of Louisiana to the United States* (Lexington, 1803), pp. 56–65. The importance which the frontiersmen attached to our foreign relations may be illustrated by the assertion of a Kentucky farmer that ". . . . if our relations with foreign countries go on well, we are likely to have good markets at home, especially during the continuance of a European War." *American Republic* (Frankfort, Kentucky), June 21, 1811.

[58] See, for example, Mann Butler, *A History of the Commonwealth of Kentucky* (Louisville, 1834), p. 330; *Acts of Ohio*, 7 Ass., 1 Sess., pp. 223–24; *Scioto Gazette* (Chillicothe, Ohio), February 13, 1809; *Acts of Kentucky*, 17 Ass., 1 Sess., p. 129; *Reporter* (Washington, Pennsylvania), December 19, 1808; and the *Carthage Gazette* (Carthage, Tennessee), February 6, 1809.

ly championed the embargo.[59] Opinion was so united in its favor in Tennessee as to call forth the following statement: "We never witnessed a greater unanimity to prevail in any considerable district of country, and relative to any important question, than now prevails throughout the state of Tennessee respecting the measures of the General Government. The voice of approbation is universal."[60] Two months after the measure had been superseded by the Non-Intercourse Act, they were still drinking toasts to it in Vincennes.[61] Perhaps at that distant frontier outpost they had not yet learned of its repeal.

Two American students, Professor L. M. Sears and Professor W. W. Jennings, have given special attention to the embargo of 1808. Both emphasize the traditional hatred for England, and the former specifically denies the significance of economic factors. Approval of the embargo, he tells us, was the result of the "simple trust" in Jefferson which filled the hearts of southern Democrats. As for the approval which was given the embargo in Mississippi Territory, Sears regards it as the pure flower of disinterested logic.[62]

It cannot be denied that traditional attitudes and party loyalty played some part in determining western support for the embargo. To some extent the westerner was playing the rôle of a good Democrat and supporting his president. In part he was acting as a good patriot and a high-spirited frontiersman who resented insults to the national honor either by France or England. The traditional friendship of Democrats for France doubtless made the westerner quick to resent untoward acts by Britain and slow to see evil in the French aggressions. But these explanations are, at most, not the whole story, for an examination of western opinion clearly indicates that the support which was given the em-

[59] *Western Sun* (Vincennes), August 13, 1808; *Mississippi Messenger* (Natchez), February 4 and March 24, 1808; *Political Theatre* (Lancaster, Kentucky), December 10, 1808; *Wilson's Knoxville Gazette* (Knoxville, Tennessee), May 13, 1808; and *Commonwealth* (Pittsburgh, Pennsylvania) March 16, 1808.

[60] *Carthage Gazette* (Carthage, Tennessee), February 6, 1809.

[61] *Western Sun* (Vincennes), July 8, 1809.

[62] Louis Martin Sears, *Jefferson and the Embargo*, pp. 100 and 126; and W. W. Jennings, *The American Embargo, 1807–1809*, pp. 201–2.

bargo on the frontier had in it a considerable element of economic self-interest.

The western farmer was quite willing to admit his lack of interest in the carrying trade. Even impressment of seamen, though to be deplored, did not seem to him very important.[63] But he did want adequate markets and good prices for his produce, and these he believed impossible so long as Great Britain restricted the West Indian market, forbade direct trade with the Continent, and placed exceedingly burdensome duties upon American imports into Great Britain. In the eyes of the western farmer, the depression of 1808 was primarily the result of the belligerents' decrees and orders in council, not of the embargo which he regarded as a highly desirable act, designed as a measure of retaliation to force the abandonment by foreign nations of their destructive interference with the marketing of our surplus products. "Who now blames the embargo?" demanded a Cincinnati editor. "Who considers it a matter of French interest or procurement? Who does not allow it to be a *saving measure?* . . . . The embargo was produced by the foreign belligerent powers. They made it wise, just and necessary. They made its continuance necessary."[64]

In Congress western representatives made no effort to conceal their economic interest in the embargo. Said Senator Pope of Kentucky, in stating the very core of the argument in defense of this measure:

> What, Mr. President, is our situation? . . . . The dispute between us and the belligerents is not about the carrying trade, but whether we shall be permitted to carry our surplus produce to foreign markets? The privilege of carrying our cotton to market, is one in which, not only the growers themselves are interested, but one which concerns every part of the nation.

He then went on to show that if the embargo were taken off while the orders in council remained in force, cotton would be confined alone to the British market and the price would fall to a ruinously

[63] *Annals of Congress*, 10 Cong., 2 Sess., pp. 204–6; *Reporter* (Lexington, Kentucky), October 5, 1808, and *Kentucky Gazette* (Lexington, Kentucky), August 30, 1808.

[64] *The Western Spy and Miami Gazette* (Cincinnati, Ohio), August 13, 1808. Italics in original text.

low level. "The necessity," he continued, ". . . . of resisting the British orders and forcing our way to those markets where there is a demand for the article, must be evident to every one who will consider the subject." In conclusion he added that if England did not change her course war might be necessary.[65]

When the question of continuing the embargo was again debated in the spring of 1809, much was said of markets and prices by those favoring a continuance of restrictive measures. In arguing in the House of Representatives against the proposed repeal of the Embargo Act, George W. Campbell, of Tennessee, declared:

> . . . . though you relieve your enemy, you do not furnish any substantial relief to your own people. No, sir, I am convinced that, in less than three months from this day, should this measure succeed, produce will sink below the price which it now bears, or has borne for the last year. There are but few places to which you can go, and those will naturally become glutted for want of competition; and, in a short time, the prices will not pay the original cost. It will, therefore, afford no substantial relief. The relief, too, which it may afford will be partial, confined to certain portions of the Union, and not equally beneficial to the whole. Tobacco will find no market; cotton a temporary market only—for, although Great Britain will receive it, yet, as we have more on hand than she will immediately want, or can make use of, and as we cannot go to France, and our trade to the Continent will undoubtedly be interrupted by Great Britain, she has nothing to do but wait a few days, weeks, or months, and buy it at her own price.[66]

If the inhabitants of Mississippi Territory gave, as has been held, a completely disinterested support to the embargo, one must conclude that their delegate in Congress failed somehow to understand the position of his constituents. George Poindexter, the delegate in Congress from Mississippi Territory, wrote the editor of the *Natchez Chronicle* that nothing could be gained by remov-

[65] *Annals of Congress*, 10 Cong., 2 Sess., pp. 1592–93. The West was outraged not only that English restrictions should keep our goods from Continental markets but also that heavy duties should be levied on the most important of our goods marketed in her ports. A contributor to a Kentucky newspaper declared: " . . . . the *tax* in '74 was imposed on the article of *tea* alone, & whilst we were colonies of that country in 1808, it is imposed on *every article of our commerce*, and that too while we occupy the ground of an *independent nation*." *Palladium* (Frankfort, Kentucky), November 3, 1808, from the *Western World;* italics in the original text.

[66] *Annals of Congress*, 10 Cong., 2 Sess., pp. 1481–82. See also *The Mississippian* (Natchez, Mississippi Territory), February 2, 1809.

ing the embargo, for British taxes and trade restrictions would so limit the market for cotton as greatly to depress the price.[67]

By the Non-Intercourse Act, which superseded the Embargo Act in the spring of 1809, direct trade with England and France and their colonies was prohibited. Although there was nothing now to stop an indirect trade with England, the British orders in council still kept American produce from reaching the Continent. On the whole the West did not like the change, and their representatives were right in predicting that such partial opening of trade would glut markets with our products and bring prices still lower. Poindexter denounced England's attempt to monopolize world-trade and "tax the product of our farms when exported to foreign markets." He even advocated war against her if necessary, and did not hesitate to recommend to his constituents that cotton be shipped immediately to England via a neutral port so as to get a fair price before markets were glutted.[68]

The course of events during the summer of 1809 was well calculated still further to inflame western hatred for Great Britain and convince the frontier farmers that their surplus could never be exported at a profit until England was somehow forced to permit free trade upon the seas. Prices, although somewhat improved, continued low as compared with pre-embargo years. The Spanish West Indies were now open to American trade; but as early as June 5, 1809, Havana, the most important Spanish port, was reported surfeited with exportations from New Orleans.[69] Erskine's treaty (April 19, 1809) by which direct trade was to be reopened with England was, at least in some quarters, regarded with suspicion. If it should not result in opening trade with the Continent, it was held that there would be loss for us and gain for England. The editor of the *Lexington Reporter* wrote:

> What will be the price of our produce confined and concentrated totally in British warehouses?
>
> Where will be our carrying trade? Why, British merchants and British

[67] *Weekly Chronicle* (Natchez, Mississippi Territory), December 14, 1808, letter dated Washington, November 12, 1808.

[68] *The Mississippian* (Natchez), May 1, 1809, Poindexter to his constituents, Washington, D.C., March 5, 1809.

[69] *Louisiana Gazette* (New Orleans), June 27, 1809.

manufacturers will purchase our productions for the mere expense of shipping and the duties and commissions to London and Liverpool merchants! *Our manufactures will be annihilated.* Britain will have gained a most glorious victory. . . . .

What is become of the 100,000 hogsheads of Tobacco exported from the United States?

Will Britain consume and manufacture all our cotton?

No, not one tenth of our Tobacco—not one half of our Cotton; and our flour, our grain, our ashes, our staves, and every other property must center there, and be held as a *pledge for our allegiance.*[70]

In July news reached the West of the extension of the British continental blockade and of the new duties to be levied upon cotton. The *Reporter*, while bitterly attacking England, held that her insults were the results of our weak policy. "Submission only encourages oppression," wrote the editor, "and Britain will follow up her blow, 'till our chains are fully rivetted."[71] Probably this writer's attitude was extreme. Some westerners were inclined to look with considerable hope upon the Erskine arrangements.[72] But when, in the late summer of 1809, word was carried over the Appalachians that England had repudiated the acts of her minister, the frontier was thoroughly aroused. Public gatherings were called for the denunciation of British perfidy. Editors joined in the clamor, and state legislatures sent communications to the president denouncing England and declaring their willingness to resort to arms.[73]

The editor of the Lexington *Reporter* was not slow to drive home the moral. In a long analysis of the situation he said in part:

The *Farmer* who is complaining of the low price of Cotton, of Tobacco, of any other produce cannot now be deceived of the real cause, he will not

[70] May 13, 1809; italics in the original text.

[71] Lexington, Kentucky, July 1, 1809.

[72] Johnson of Kentucky, for example, was one of the chief supporters of the administration in its negotiations with Erskine. *Annals of Congress*, 11 Cong., 1 Sess., pp. 156–61. But most western representatives were not very enthusiastic. See *ibid.*, pp. 187 ff.

[73] *Carthage Gazette* (Carthage, Tennessee), August 17, September 1, and November 17, 1809; *Independent Republican* (Chillicothe, Ohio), September 8, 1809; *Reporter* (Lexington, Kentucky), September 9 and November 11, 1809; *House Journal*, Tennessee, 8 Ass., 1 Sess., pp. 147–49; *Acts of Ohio*, 8 Ass., 1 Sess., p. 347.

attribute it to embargo systems, or to French decrees, for French decrees were in full force when we so anxiously made the experiment of *confining* our trade to Britain, the farmers will see clearly that the orders in council prohibiting and interrupting all commerce to the continent is the only cause for his embarrassments.

. . . . The farmer who wishes a market for his produce, must therefore charge his representative in Congress to cast off all temporising. . . . .[74]

The winter of 1809–10 found hard times on frontier farms and western sentiment more bitter than ever against the British as the chief cause of the farmers' troubles.[75] The attempt at commercial coercion had failed, but Congress was not yet ready to declare war. Beginning May 1, 1810, commerce was freed from the restrictive measures of our own government. On the whole, conditions seemed on the mend in the following summer, and western farmers were busy harvesting crops which they hoped might be floated down the river to good markets in 1811. Some thought they perceived a promise of better times, while others saw no assurance of prosperity until foreign restrictions should be withdrawn.[76]

But, instead of improving, conditions actually grew seriously worse during the next two years. Wholesale prices of western products were below even those of 1808 in the year before the war. In this new period of general depression on the frontier, the northern part of the Ohio River Valley appears to have suffered less than other parts of the West. Frequent newspaper notices of the building of flour mills in Ohio and increased advertising by

[74] October 24, 1809; italics in the original text. See also *Carthage Gazette* (Carthage, Tennessee), December 15, 1809.

[75] *Carthage Gazette* (Carthage, Tennessee), December 15, 1809; *Reporter* (Lexington, Kentucky), November 11 and December 30, 1809, and February 24, 1810; *Independent Republican* (Chillicothe, Ohio), February 8 and March 8, 1810; *Liberty Hall* (Cincinnati, Ohio), February 7, 1810. The plight of the settlers living west of the Great Miami River in Ohio may be regarded as typical. They could not, so they reported to Congress, make payments on lands which they had bought because (1) specie could not be commanded, (2) laws for the relief of debtors made it impossible for them to collect payments which were due, (3) immigrants were no longer coming into the country and bringing money with them, and (4) there were no markets for their produce. *Dayton Repertory* (Dayton, Ohio), December 14, 1809.

[76] *Ohio Centinel* (Dayton, Ohio), May 31, 1810; *Kentucky Gazette* (Lexington, Kentucky), July 31, 1810; *Reporter* (Lexington, Kentucky), June 15 and 30 and July 14 and 21, 1810.

those wishing to buy wheat and flour indicates at least some optimistic sentiment. Also, advantage must have resulted from a considerable increase which now took place in the number of cattle and hogs driven eastward over the mountains.[77] Although some settlers still came via Kentucky or by the river route, the fact which now called forth newspaper comment was the large number of wagons bringing immigrants to Ohio which were to be met on the Pennsylvania turnpikes and on the Zanesville Road in Ohio.[78] Along with this new wave of immigration, land sales rose, though not to their pre-embargo peak. So, at least a temporary market must have been afforded for considerable quantities of country produce.[79]

In so far as contemporary appraisals of the economic situation in this northern area are available, they show little or no reflection of the favorable factors just noted. Dulness of business, scarcity of money, "poverty, disappointment, embarrassment," "the present disasterous state of our affairs"—these are typical of contemporary statements. Taken along with what we know of the price situation, the disorganization of the Mississippi commerce in the winter of 1811–12, and the fact that settlers on public lands were still petitioning for relief, the indications are that, although there was some promise of better times, the region north of the Ohio River was certainly not enjoying general prosperity in the year or two immediately preceding the war.[80]

Judging from the extremely low prices brought by tobacco, hemp, and cotton, one might suppose that the frontier south of

[77] *Muskingum Messenger* (Zanesville, Ohio), November 24, 1810; *Ohio Centinel* (Dayton, Ohio), December 13, 1810; *Supporter* (Chillicothe, Ohio), March 30, 1811.

[78] *Ohio Centinel* (Dayton, Ohio), December 13, 1810; *Supporter* (Chillicothe, Ohio), March 30, 1811; and the *Muskingum Messenger* (Zanesville, Ohio), November 13 and December 18, 1811.

[79] *American State Papers, Finance*, Vol. II, *passim*.

[80] See: William Rufus Putnam to John May, Marietta, Ohio, March 15, 1810, *The John May Papers*, Western Reserve Historical Society Tract No. 97, p. 211; *Commentator* (Marietta, Ohio), April 3, 1810; *Advertiser* (Cincinnati, Ohio), June 27, 1810; *Ohio Centinel* (Dayton, Ohio), March 7 and May 15, 1811; *Western Telegraphe* (Washington, Pennsylvania), July 18, 1811; James McBride to Mary McRoberts, "Mississippi River, April 1, 1812," *Quarterly Publication of the Historical and Philosophical Society of Ohio*, V, 27–28; and *Acts of Ohio*, 9 Ass., 1 Sess., pp. 90–91, and 10 Ass., 1 Sess., pp. 190–91.

the Ohio River suffered from a more serious depression than that to the north. The records clearly show this to have been the case. The Kentucky farmers, who had turned so enthusiastically to hemp culture in 1809 and 1810 that hemp had become the most important staple of the state, now complained even more loudly than those who produced wheat, cotton, or tobacco. There is hardly an issue of the Frankfort and Lexington papers which does not give voice to the despair and resentment of these unfortunate frontiersmen. In spite of public resolutions and even co-operative action to keep up the price by refusing to sell (probably one of the first efforts of this kind among American farmers), ruin was not averted and prices continued their disastrous decline.[81]

In western Tennessee and Mississippi Territory where cotton was almost the only sale crop, the plight of the frontier farmers was most desperate of all. Tennessee cotton planters were reported in the fall of 1810 as so discouraged that to a considerable extent they had ceased the cultivation of their staple.[82] An able contributor to Nashville papers wrote:

> Ask a Tennessee planter why he does not raise some kind of crop besides corn! His answer is—if he were to do it he could get nothing for it—that he could not sell it for money, unless he carried it to Natchez or Orleans—and that was out of his power—therefore he was content to make just what would do him, (as the saying is.) Hence it is undeniable that the want of encouragement forms the principal cause of the indolence of our inhabitants.[83]

This was written in 1810. In the next year conditions were, if changed at all, worse; and "hardness of times and scarcity of money" continued to be the farmer's story.[84]

As for Mississippi Territory, conditions there were also "very dull."[85] Planters were heavily in debt for slaves as well as for

[81] See files of the Lexington *Reporter* and the Frankfort *Palladium* especially for January and February of 1811.

[82] *Western Chronicle* (Columbia, Tennessee), November 17, 1810.

[83] *Democratic Clarion and Tennessee Gazette* (Nashville, Tennessee), September 21, 1810.

[84] *Carthage Gazette* (Carthage, Tennessee), August 21, 1811.

[85] *Palladium* (Frankfort, Kentucky), November 8, 1811, from the *Baltimore Whig*.

land, and in the autumn of 1811 they petitioned Congress to permit them to defer payments due on public lands because of "the severe pressure of the times" and the "reduced price of cotton."[86]

In Orleans Territory the picture was much the same except that cattle raisers in the central and western part of the territory and sugar planters along the river received fair prices for their produce. But cotton growers were as hard pressed as elsewhere. And business at New Orleans experienced a severe crisis in 1811. The editor of the *Louisiana Gazette* declared:

> The numerous failures lately in this city, has not alone been distressing to the adventurous merchant, but it has in a great measure paralized commerce, by destroying that confidence which is the grand key stone that keeps the commercial world together. This city is young in business, we have but few capitalists in trade amongst us, and a shock of adversity is severely felt.[87]

Increased bitterness toward Great Britain and a renewed determination to force her to repeal her commercial restrictions accompanied the depression of 1811–12. But frontiersmen showed no desire to repeat the attempt at commercial coercion; past failures had shaken their faith in pacific measures. The new attitude is epitomized in the following toast offered at a Fourth of July celebration held at Frankfort in 1811: "Embargoes, non-intercourse, and negotiations, are but illy calculated to secure our rights. . . . . Let us now try old Roman policy, and maintain them with the sword."[88]

Although it cannot be questioned that this toast expressed the predominant feeling of the West, the existence of an opposition must not be overlooked. Two western senators, one from Ohio and the other from Kentucky, cast ballots against the declaration of war.[89] Letters to newspapers and editorial comments opposing a definite break with England are not uncommon in the Ohio and western Pennsylvania press. In Allegheny County, which includ-

[86] *Ibid.*, and *Natchez Gazette* (Natchez), October 17, 1811.

[87] March 7, 1811.

[88] *American Republic* (Frankfort, Kentucky), July 5, 1811.

[89] The junior senator from Ohio was not present. His attitude toward the war is not known. See *Muskingum Messenger* (Zanesville, Ohio), July 1, 1812.

ed Pittsburgh, the peace party was actually in the majority.[90] Elsewhere in the Mississippi Valley, with the possible exception of New Orleans, where, as during the embargo, the *Louisiana Gazette* was outspoken in its attack on all administration policies, the opposition was of very little consequence.[91]

Taking the frontier as a whole, the predominance of the war spirit cannot be doubted. All of the congressmen from western states voted for war, and the delegate to Congress from Mississippi Territory repeatedly showed himself an enthusiastic advocate of hostile measures toward Great Britain. Both the governor and the state legislature of Ohio took occasion publicly to approve the aggressive stand taken by the Twelfth Congress.[92] In a vote regarded as a test of the peace sentiment the rural elements in Pennsylvania showed themselves strongly for war.[93]

In no part of the Union was the demand for war more clamorous or determined than in Kentucky.[94] The *Reporter*, which had long called for war, now demanded it more insistently than ever, and the other papers of the state followed its lead.[95] Before Congress met in the autumn of 1811 the Georgetown *Telegraph* declared: "We have now but one course to pursue—a resort to arms. This is the only way to bring a tyranical people to a sense of justice."[96] And the next spring the editor of the *Kentucky Ga-*

[90] *Pittsburgh, Gazette* (Pittsburgh, Pennsylvania), October 23, 1812. See also *ibid.*, May 15 and 27 and September 18, 1812.

[91] The *Natchez Gazette* of Natchez, Mississippi Territory, and the *American Republic* of Frankfort, Kentucky, were opposed to war, at least in the manner proposed by the party in power.

[92] *Belmont Repository* (St. Clairsville, Ohio), December 21, 1811; and *Muskingum Messenger* (Zanesville, Ohio), July 1, 1812.

[93] *Pittsburgh Gazette* (Pittsburgh, Pennsylvania), October 23, 1812.

[94] John Pope, of Kentucky, who voted against war with England paid the penalty for acting contrary to the clearly expressed wishes of his constituents. He was defeated by an overwhelming majority when he came up for re-election in 1813. John Bowman to Stephen F. Austin, August 5, 1813, *Annual Report* of the American History Association, 1919, II, 227–28.

[95] See especially, *Reporter* (Lexington, Kentucky), November 2, 1811, and January 11 and April 14, 1812.

[96] *Telegraph* (Georgetown, Kentucky), September 25, 1811.

zette expressed the impatience of the frontier when he wrote: ". . . . we trust no further delay will now take place, in making vigorous preparations for War. Indeed those who believed Congress in earnest, expected a declaration of war long ago. . . . ."[97] The Kentucky state legislature, which had declared itself ready for war at least as early as December, 1808, now insisted upon a break with England and condemned further "temporising."[98]

To one familiar with the situation on the frontier in 1808–10 it can hardly come as a surprise that, in the same breath in which the farmers deplored their ruined agriculture, they urged war against England. Both on the frontier and in the halls of Congress westerners now demanded war as a necessary measure for economic relief.

When word of President Madison's warlike message to the Twelfth Congress reached western Pennsylvania, the editor of the Pittsburgh *Mercury* declared himself attached to peace but if necessary ready to fight for commerce.[99] And at the other end of the frontier, Governor W. C. C. Claiborne, in his inaugural address before the Louisiana state legislature, declared: "The wrongs of England have been long and seriously felt; they are visible in the decline of our sea towns, in the ruin of our commerce and the languor of agriculture."[100] Perhaps the statements of the somewhat bombastic governor must not be taken too seriously. But the following by a Louisiana cotton planter seems to come directly, if not from the heart, at least from the pocketbook:

> Upon the subject of cotton we are not such fools, but we know that there is not competition in the European market for that article, and that the British are giving us what they please for it—and, if we are compelled to give it away, it matters not to us, who receives it. But we happen to know that we should get a much greater price for it, for we have some idea of the

[97] March 3, 1812.

[98] *Acts of Kentucky*, 17 Ass., 1 Sess., p. 129, and 20 Ass., 1 Sess., pp. 252–54. For other expressions of frontier demand for war see for example: *Mercury* (Pittsburgh, Pennsylvania), September 26, 1811; *Commonwealth* (Pittsburgh, Pennsylvania), April 14, 1812; *Muskingum Messenger* (Zanesville, Ohio), July 1, 1812.

[99] November 12, 1811.

[100] Charles Gayarré, *History of Louisiana, The American Domination* (New York, 1866), p. 283.

extent of the Continent, and the demand there for it; and we also know that the British navy is not so terrible as you would make us believe; and, therefore, upon the score of lucre, as well as national honor, we are ready.[101]

In Kentucky even the editor of the lone Federalist paper the *American Republic* denounced foreign restrictions as the cause for the depressed prices for western produce. He differed from the Democrats only in that he blamed not England but France, and also, of course, the Democratic administration for the hard times.[102] But this editor had almost no popular following. His paper, which went out of existence in the spring of 1812, represented little more than his own personal opinions.[103]

When aggressive action toward England seemed imminent late in 1811, the *Reporter*, which had advocated war to secure markets as early as 1809, printed an editorial saying: "It appears likely that our government will at last make war, to produce a market for our Tobacco, Flour and Cotton."[104] And as Congress hesitated over the fatal step, the *Reporter* continued to clamor for war. In April a communication printed in that paper violently attacked England as the source of western difficulties and declared that western hemp raisers would be completely ruined by English measures.[105] And the editor himself wrote in similar vein:

> We are . . . . aware that many circumstances combined to reduce the price of produce. The *British Orders in Council*, which still prevent the exportation of cotton, tobacco, &c. to the continent of Europe, *are the chief*—(at the same time confining every thing to their own glutted market) whilst those continue, the carrying trade will be very limited, and bear down considerably the consumption and price of hemp, yarns, &c.[106]

[101] *Time Piece* (St. Francisville, West Florida [Louisiana]), July 25, 1811.

[102] *American Republic* (Frankfort, Kentucky), October 4, 1811. Also *ibid.*, July 19, 1811.

[103] It is interesting to note that the frontier opposition to the war in western Pennsylvania and Louisiana emanated not from the farmers but apparently from the commercial interests in Pittsburgh and New Orleans, and that in Ohio it came from a part of the West in which economic conditions were least depressed and in which a similar Federalist opposition to the embargo has been noted.

[104] *Reporter* (Lexington, Kentucky), December 10, 1811.

[105] *Ibid.*, April 25, 1812.

[106] April 13, 1811; italics in the original text. Also *ibid.*, February 23, 1811.

In what was perhaps the most curious and at the same time most revealing article to appear in the West, this same editor wrote:

> Should those *quid* representatives and *quid* members of the administration support war measures after Britain has forced us into war, they support it only for *popularity*, and fear of *public* opinion. Not that their hearts are with their country—But with the British agents and U. States aristocracy. —But the scalping knife and tomahawk of *British savages, is now, again devastating our frontiers.*
>
> *Hemp* at three dollars.
>
> *Cotton* at twelve dollars.
>
> *Tobacco* at nine shillings.
>
> Thus will our farmers, and wives and children, continue to be *ruined* and *murdered*, whilst those half-way, *quid*, execrable measures and delays preponderate.
>
> Either *federal* or democratical energy would preserve all.[107]

When it is remembered that the streets of Lexington were safely distant from the nearest conceivable point of Indian depredation, the editor's reference to economic ruin and the depressed price of commodities appears somehow more sincere than his dramatic reference to danger of tomahawk and scalping knife.

Nor did the economic aspect of the situation fail to find emphasis in the debates at Washington. In the discussions there on declaring war, western congressmen repeatedly emphasized the economic argument. Said Felix Grundy, of Tennessee, a leader of the western War Hawks second only to Henry Clay: ". . . . inquire of the Western people why their crops are not equal to what they were in former years, they will answer that industry has no stimulus left, since their surplus products have no markets."[108] And Samuel McKee, of Kentucky, expressed frontier exasperation with those who counseled delay, in the following words:

> How long shall we live at this poor dying rate, before this non-importation law will effect the repeal of the Orders in Council? Will it be two years or twenty years? The answer is in the bosom of futurity. But, in the meantime, our prosperity is gone; our resources are wasting; and the present state of things is sapping the foundations of our political institutions by the demoralization of the people.[109]

[107] *Reporter* (Lexington, Kentucky), March 14, 1812 (italics in the original text).

[108] *Annals of Congress*, 12 Cong., 1 Sess., p. 426.

[109] *Ibid.*, p. 508.

So much has been made of the youthful enthusiasm of the War Hawks, of their national feeling and keen resentment of foreign insults, that it may possibly appear to some that these western leaders were great hypocrites who talked of national honor but acted secretly from economic motives. By way of extenuation it may be suggested that national honor and national interest seldom fail to coincide. Furthermore, the western leaders made no secret of their "interests" even though they did have much to say of "honor." Clay demanded vigorous measures against England, declaring that through failure to fight we lost both commerce and character. "If pecuniary considerations alone are to govern," he said, "there is sufficient motive for the war."[110] Three months later, when writing to the editor of the *Kentucky Gazette* assuring him that war would yet be declared, Clay did not hesitate to state in a letter which was probably intended for publication: "In the event of war, I am inclined to think that article [hemp] will command a better price than it now does."[111]

Confusion has sometimes arisen from the failure to realize that commercial privileges were as essential to those who produced goods for foreign exportation as for the merchants who gained by performing the middleman service. John Randolph did accuse the Democratic majority in Congress of being the dupes of eastern merchants. But one has only to read the words of the southern and western advocates of war to find that their position was clear and straightforward enough. Said Felix Grundy:

> It is not the carrying trade, properly so called, about which this nation and Great Britain are at present contending. Were this the only question now under consideration, I should feel great unwillingness. . . . . to involve the nation in war, for the assertion of a right, in the enjoyment of which the community at large are not more deeply concerned. The true question in controversy, is of a very different character; it involves the interest of the whole nation. It is the right of exporting the productions of our own soil and industry to foreign markets.[112]

[110] *Ibid.*, pp. 599–600.

[111] Clay to the editor of the *Kentucky Gazette*, March 14, 1812, printed in the *Kentucky Gazette* (Lexington, Kentucky), March 24, 1812.

[112] *Annals of Congress*, 12 Cong., 1 Sess., p. 424. For the position of John Rhea, another Tennessee congressman, see *ibid.*, p. 637.

Repeatedly this matter came up, and as often western representatives clearly stated their position. Henry Clay left the speaker's chair to explain:

> We were but yesterday contending for the indirect trade--the right to export to Europe the coffee and sugar of the West Indies. Today we are asserting our claim to the direct trade—the right to export our cotton, tobacco, and other domestic produce to market.[113]

Too much has been made of Randolph's charge against the War Hawks that they sought the conquest of Canada, and not enough of his declarations that western representatives were much influenced by consideration of their own advantage.[114] It is true that pro-war Democrats of the coast states hurried to deny that their western colleagues were actuated by "selfish motives."[115] But Calhoun's reply to Randolph is worth quoting, for, although apparently intended as a denial, it is actually an admission of the charge. He is reported as saying:

> . . . . the gentleman from Virginia attributes preparation for war to everything but its true cause. He endeavored to find it in the probable rise of the price of hemp. He represents the people of the Western States as willing to plunge our country into war for such base and precarious motives. I will not reason on this point. I see the cause of their ardor, not in such base motives, but in their known patriotism and disinterestedness. No less mercenary is the reason which he attributes to the Southern States. He says, that the non-importation act has reduced cotton to nothing, which has produced feverish impatience. Sir, I acknowledge the cotton of our farms is worth but little; but not for the cause assigned by the gentleman from Virginia. The people of that section do not reason as he does; they do not attribute it to the efforts of their Government to maintain peace and independence of their country; they see in the low price of the produce, the hand of foreign injustice; they know well, without the market to the Continent, the deep and steady current of supply will glut that of Great Britain; they are not prepared for the colonial state to which again that Power is endeavoring to reduce us.[116]

Not only were westerners accused of seeking war for their own economic advantage, but many held they were mistaken in believing that war with England would bring them the results they

[113] *Ibid.*, p. 601.

[114] *Ibid.*, pp. 450 and 533.

[115] *Ibid.*, pp. 467–75.

[116] *Ibid.*, p. 482.

sought. Federalists and anti-war Democrats repeatedly declared in Congress that war would not open markets or restore the price of hemp, tobacco, or cotton.[117] These speeches, cogent as they often were, failed in their purpose of dissuading the frontiersmen from demanding war, but they are convincing evidence to us that the anti-war minority, no less than the majority which favored the conflict, recognized clearly enough the important relation of economic motives to the war spirit.

As noted at the outset, factors other than those emphasized in this study undoubtedly played a part in bringing on the war. The expansionist sentiment, which Professor Julius W. Pratt has emphasized, was surely present.[118] English incitement to Indian depredations and Spanish interference with American trade through Florida should be noted, as should also the fact that the frontiersmen sought every possible pretext to seize the coveted Indian lands. Restrictions on the carrying trade, even impressment of seamen, may have had some effect in influencing western opinion. No doubt the traditional hostility of the Republican party toward England played a part. Many veterans of the Revolutionary War had settled upon western lands, and time had not failed to magnify the glory of their achievements or to add to the aggressive ardor of their patriotism.

But important as these factors may have been, the attitude of the western settler can hardly be evaluated without an understanding of his economic position. He was, after all, typically an ambitious farmer who moved to the Mississippi Valley in order to make a better living. In the boom times following the Louisiana Purchase he had regarded the western frontier as a veritable promised land. Moreover, the fertile river valleys rewarded his toil with luxuriant harvests. But somehow prosperity eluded him. When, in spite of tremendous difficulties, he brought his produce to market, prices were often so low as to make his venture a failure.

[117] See, for example, *Annals of Congress*, 12 Cong., 1 Sess., pp. 626, 674, 676, and 710.

[118] *Expansionists of 1812* (New York, 1925); and "Western Aims in the War of 1812," *Mississippi Valley Historical Review*, XII, 36–50.

We know now that the farmers' troubles were, in no small degree, fundamentally matters of transportation, of communication, and of imperfect marketing and financial organization. But is it unexpected that in their disappointment (and not unlike their descendants of today who still are inclined to magnify political factors) they put the blame for their economic ills upon foreign restriction of their markets and supported the Embargo and Non-Intercourse acts as weapons to coerce the European belligerents to give them what they regarded as their rights? And when peaceful methods failed and prices fell to even lower levels, is it surprising that the hopeful settlers of earlier years became the War Hawks of 1812?

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Prices in the Mississippi Valley Preceding the War of 1812

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NOTES AND DOCUMENTS

PRICES IN THE MISSISSIPPI VALLEY PRECEDING THE WAR OF 1812

GEORGE ROGERS TAYLOR

AGRARIAN discontent and serious complaint of falling prices are hardly new or unusual situations in the Mississippi River Valley. Yet it is not generally realized, perhaps, how early such situations arose among the farmers in our greatest agricultural region. In the decade before the War of 1812 when both the Ohio and the lower Mississippi River Valleys were still frontier regions just beginning to assume agricultural importance, a farm bloc had already appeared and western farmers were complaining, as they have continued to do intermittently for over a hundred years, that prices were ruinously low.

That the insurgent leaders of this early agricultural group have since been dubbed the *War Hawks of 1812* may strike the reader as being not without interesting implications. It was with the thought that there might be some connection between price changes and the War of 1812 that I undertook to make a study of the chief products bought and sold. I am now publishing this material without making any statement as to the relationship between prices and the war. The purpose of this paper is merely to set forth the price situation which confronted the western farmer in the years preceding the second war with Great Britain.

In so far as the agriculturalist of the early West consumed his own products he was not troubled by price changes. Nevertheless there were important things for which he must have purchasing power. Chief among these was land itself. But also there were foodstuffs such as coffee, tea, sugar, spices, and manufactured commodities of many kinds from cotton and woolen cloth to iron castings and even millstones.

It was through his ability to buy these things that the farmer gauged his prosperity. Only by selling his agricultural produce could he secure the necessary purchasing power. Unfortunately for him there were neither cities nor local manufacturing enterprises which afforded a home market. Carriage eastward over the mountains was too costly. Practically the only market for frontier products was that at New Orleans and Natchez. To these lower river centers the food products of the Ohio River Valley farms, from Pennsylvania to Tennessee, came in flat or keel boats, often with the producer himself aboard to superintend the sale of his year's surplus. In part, the up-country provisions were consumed on the cotton plantations of Mississippi and Orleans Territory where specialization in cotton had already made advantageous the bringing in of foodstuffs. In somewhat smaller amounts provisions were shipped to foreign ports, chiefly in the West Indies. The other products of the West, cotton, hemp, tobacco, sugar, furs, etc., found sale at New Orleans for reshipment to the Atlantic, West Indian, and European markets.

The New Orleans prices are therefore most significant for western price

studies in this period. Fortunately, the newspapers which print prices current for that city and which have been preserved, give sufficient data to permit the construction of price indexes from January, 1804, through April, 1812. Only scattered information is available before 1804. From newspapers and to some extent from other sources, occasional quotations may be secured for Natchez and Ohio River Valley centers. But for the most part the up-river cities of the early West published New Orleans rather than local prices.

One way to utilize this material is to construct an index of wholesale prices from the New Orleans data. The price current, as it customarily appeared in the *Louisiana Gazette*,[1] included about two hundred items. From these, sixty-three have been selected for careful study in order that suitable price series might be chosen for use either in the index of products locally produced or of those imported. As attention is now directed to production rather than consumption, the index having to do with the price of imports is postponed for later consideration.

From the sixty-three originally selected, eighteen commodities have been chosen to make up the index of prices of western products. They are bacon, country beef, butter, Kentucky cordage, corn in the ear, cotton, Kentucky flour, Monongahela flour, ham, hemp, hog's lard, pig lead, Kentucky prime

TABLE 1

MONTHLY INDEX OF WHOLESALE PRICES OF WESTERN PRODUCTS AT NEW ORLEANS, 1804–1812[a]

(Monthly Average 1805–06 equals 100)

	1804	1805	1806	1807	1808	1809	1810	1811	1812
Jan.	84	92	103	104	90	86	89	91	73
Feb.	85	99	104	101	86	81	88	89	80
Mar.	83	101	98	100	79	79	87	80	75
Apr.	82	98	96	95	80	83	89	79	74
May	82	103	93	90	78	85	86	76	
June	86	103	92	90	78	83	82	74	
July	86	102	91	92	75	82	87	73	
Aug.	89	108	92	94	77	83	87	72	
Sept.	89	103	96	93	80	84	87	77	
Oct.	90	103	101	93	78	87	91	78	
Nov.	91	103	106	93	84	88	91	83	
Dec.	92	105	106	90	86	90	89	76	
Yearly Average	87	102	98	95	81	84	88	79	76[b]

[a] Weighted arithmetic mean of the relatives, the relatives being weighted according to the value of the product.

[b] Average for four months.

[1] The only western newspaper regularly printing a price current of which there has been preserved a complete file for the period before the War of 1812. In the construction of the index the price current as printed in the *Louisiana Gazette* has been used for the period November, 1804, through February, 1812. For preceding and succeeding months price data have been gleaned from various contemporary newspapers which carried a New Orleans price current.

pork, shaved deer skins, loaf sugar, tallow, Kentucky tobacco, and whiskey. Some products, which though of minor importance might well have been included, had to be thrown out because their price series were not sufficiently full. Others were found to be of too little importance to merit inclusion. A few were eliminated as being satisfactorily represented by commodities already included. The list, while not exhaustive, will be found to represent all the important products of the frontier at the time.[2]

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[2] Prices were secured for two days in each month, one quotation being taken for the first day of the month or as soon thereafter as was possible, and another for the middle of the month or as soon after as data were available. The simple arithmetic mean of these two figures was then accepted as the monthly price. In a few cases where quotations were infrequent, it was found necessary to base the monthly price on one rather than two quotations. The newspaper prices current ordinarily gave two price quotations for each commodity, a high and a low. The price taken was the arithmetic mean of the high and the low. Where, as not infrequently happened, the editor discontinued giving two prices and entered only the high or low, the spread as indicated by the last month for which both figures appeared, was used as a basis for computing the monthly averages for the following three months. After three months, if single quotations were continued (only rarely the case), no further allowance was made for the spread, and the high or the low, as the case might be, was accepted as the prevailing price.

When gaps occurred in the original price quotations, one of two methods of interpolation was used. The first method was employed when the known data for the series containing the gap did not appear to have a definite likeness to any other series or to the price index as computed from the other prices. Interpolation in such cases was by a straight line connecting the two known points of the gap.

This procedure (Method 1) may be expressed mathematically as follows: Describe the series of price quotations as $C_1, c_2, c_3 \cdots C_n$ with the items between C_1 and C_n unknown. Small letters are used throughout to indicate values secured through interpolation by Method 1. The change in price for each monthly interval is $\frac{C_n - C_1}{n-1}$. And the generalized equation for any unknown point is $c_x = C_1 - (x-1)\frac{C_n - C_1}{n-1}$. Of course, x is known but varies depending upon which missing item is sought. Thus if c_2 is sought $x=2$, if c_3, then $x=3$, etc.

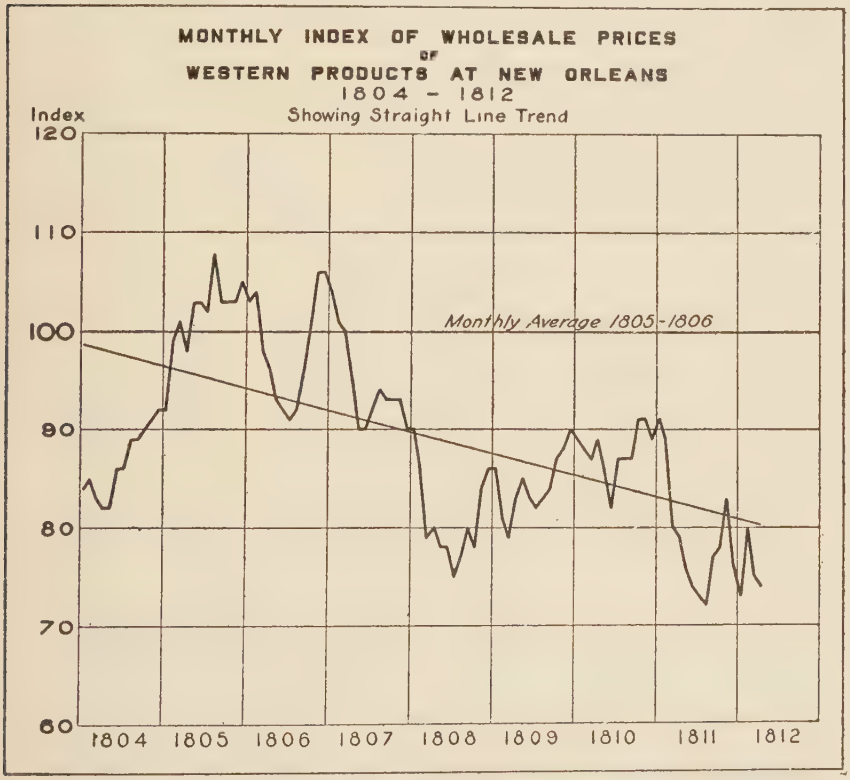
Where it was observed that a general similarity existed between the known parts of the series and the index as constructed representing all other commodities, the method of interpolation was refined. An estimate was obtained by Method 1, both for the series in question and for the index for all other commodities, although all items were known in the case of the index. The percentage by which, through using Method 1, the estimate for the index of all other commodities differed from the known figure at that point was applied to the estimated figure for the single series. In other words, the known index number for the month in question was divided by the estimated index number for the same month obtained by using Method 1. By this procedure a value was obtained for the individual commodity which deviated from a straight line by the same percentage as did the index number for all other commodities.

This method (Method II) may be expressed mathematically as follows: describe the series of price quotations as $C_1, C_2, C_3, \cdots, C_n$ with the items between C_1 and C_n unknown and the index for all other commodities as $P_1, P_2, P_3, \cdots, P_n$ with all items known. By applying Method 1 to the index numbers the following series was secured: $P_1, p_2, p_3, \cdots, P_n$. Then $C_x = \frac{P_x}{p_x} \cdot c_x$.

The price series were on the whole fairly complete except for January to November of 1804 and March and April of 1812. While it is believed that the index erected for these two

The index of wholesale prices for the productions of the West Country is shown in table 1 and chart 1. It was constructed by using the weighted arithmetic mean of the relatives. The weights for each commodity (see table 2) were assigned so that they affected the general index as nearly as possible in proportion to the influence which each commodity (or the group which it represented) had upon the farmers' annual income. It will be apparent that in part the weighting has been accomplished by including more than one item of a single group of commodities. For example, series for a number of different pork products have been used.

CHART 1



end periods correctly shows the price trend, it may well be borne in mind that it is less reliable than for the intervening period.

The one commodity for which New Orleans or other western price data were seriously inadequate was Kentucky hemp. In this case it was found necessary to use the price for hemp at Boston as printed in the *Boston Gazette*. This procedure seemed justified, as a careful examination of the scattering western price quotations for hemp showed them to have the same trends as at Boston. In order to obviate monthly fluctuations, which obviously might have only local significance, a moving twelve months' average was taken and the lag which western prices showed in relation to those at Boston was allowed for by retarding the Boston prices approximately three months (that is, the monthly average January to December, inclusive, as the November price, and so on).

Obviously weights could not be assigned with absolute accuracy but they are based upon an extensive study of contemporary estimates and records of river trade.[3] They represent an attempt to estimate the importance of each of the commodities not for any one year, but over the whole period of eight years and four months. Of course this means that, as the relative volume of different

TABLE 2

SERIES USED IN CONSTRUCTING AN INDEX OF PRICES OF COMMODITIES PRODUCED IN THE WEST WITH THE WEIGHTS ASSIGNED TO EACH COMMODITY

No.	Commodity	Weights with base of 70	Percentage of Total
1.	Cotton	18	25.7
2.	Tobacco, Kentucky	6	8.6
3.	Hemp	6	8.6
4.	Cordage, Kentucky	2	2.8
5.	Sugar, loaf	2	2.8
6.	Skins, shaved deer	2	2.8
7.	Lead, pig	2	2.8
	Up-Country Provisions		
8.	Beef, country	3	4.3
9.	Butter	1	1.4
10.	Tallow	1	1.4
11.	Bacon	2	2.8
12.	Lard, hog's	2	2.8
13.	Pork, Kentucky prime	2	2.8
14.	Ham	1	1.4
15.	Flour, Kentucky	7	10.0
16.	Flour, Monongahela	7	10.0
17.	Corn in the ear	2	2.8
18.	Whiskey	4	5.7
	Total	70	

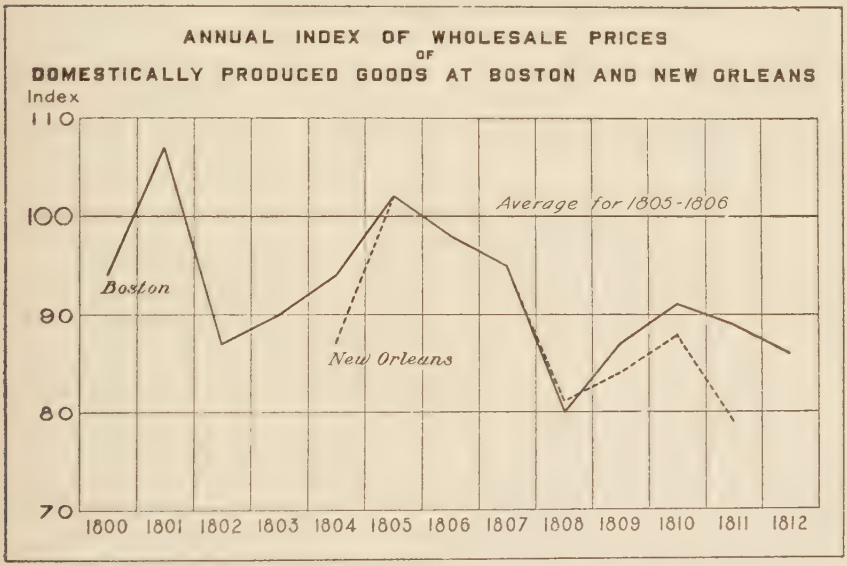
commodities changed, the weights remained fixed. As a result, there is no question that the weighting of a particular commodity which is satisfactory for one year may be much less so for other years. But the information is not sufficiently detailed to justify any shifting of weights from year to year. However, the index is unquestionably much more accurate because of the arbitrary weight-

[3] Although statistics of the trade down the Mississipppi are at best unsatisfactory and fragmentary, yet they are much more complete than has been realized. Records were kept at the important river ports and many of these are still available, chiefly in obscure files of western newspapers. See the *Pittsburgh Gazette*, July 12 and Nov. 21, 1800, and Apr. 3, 1801; William Guthrie, *Universal Geography* (ed. 1820), vol. i, p. 362; the *Louisiana and Mississippi Almanack* for 1813, p. 56; *Moniteur de la Louisiane*, New Orleans, La., Jan. 2, Feb. 9 and 16, 1813; the *Palladium*, Fankfort, Ky., May 26 and Sept. 8, 1801, Apr. 22, 29, and Aug. 19, 1802, and Aug. 18, 1803; Norman Walker, *Commerce of the Mississippi River*, House Executive Documents, 1st Session, 50th Cong., 1887–88, vol. xx, pt. 2, p. 187; *Weekly Register* (Niles), Baltimore, Md., Sept. 7, 1811, p. 10; the *Western Spy and Hamilton Gazette*, Cincinnati, Ohio, Nov. 14, 1801, from Charles Cist, *Cincinnati in 1841: its Early Annals and Future Prospects* (Cincinnati, 1841), p. 188. Also valuable information for 1806 and 1807 was secured from the New Orleans customs records in the Library of Congress.

ing which has been essayed than it would have been if no deliberate weighting had been attempted, and each commodity had been left to influence the general index through the unintentional weighting which cannot be escaped under any method of computation.

The problem of finding a satisfactory period upon which to base the index offered even more than the usual difficulties. Two criteria were used in determining the period best suited. First, a period was sought in which the data were as complete as possible, and, second, one which was "normal" in the sense that prices were as nearly as possible in a typical or usual relationship to each other. A satisfactory "normal" period is difficult enough to find in relatively stable times. In the later years of the Napoleonic Wars, with British Orders in Council, French Decrees, and American Embargoes, not to mention crop failures and rumors of peace, certainly no period may with any confidence

CHART 2



be regarded as wholly satisfactory. After a careful study of the original data, the base period adopted was the two years 1805 and 1806. On the score of adequacy of data this base period was acceptable, and although by no means undisturbed by war and changes in commercial policy, actual or threatened, this period if not normal appeared to be at least not abnormal.

The general trend for western products may now be examined. Charts 1 and 2 will be found useful for this purpose. The first shows the monthly price changes determined by the methods described above. A straight line has been fitted to the data in chart 1 to indicate the trend.[4] The second chart shows the annual index for New Orleans prices plotted along with the annual index of

[4] A straight line was fitted to the data by the method of least squares, and is described by the equation $Y=98.79-.186X$ where the origin is at December, 1803, and the X units are in terms of months.

prices at Boston for the years 1800–12 as worked out in the excellent study of Professor W. B. Smith.[5]

Fragmentary price quotations available for 1801–03 suggest that, were it possible to construct a New Orleans index for these years, it would move in the same direction as that for Boston (see chart 2) though very likely with greater amplitude. In general, the year 1801 was a time of very high prices in the West. Then in the spring of 1802 prices appear to have fallen even more precipitously than at Boston. A contributor to a Kentucky newspaper wrote: "The commercial situation of the greater part of the western country cannot . . . be much worse than it is at present. Neither quantities of flour, beef, pork, hemp, nor tobacco, can be sold at New Orleans: nor are there vessels to find for us distant markets."[6]

Not only were western prices generally depressed along with those for the rest of the world during the Peace of Amiens, but market conditions in the lower Mississippi were upset during the winter of 1802–03 due to the withdrawal by the Spaniards of the right of deposit at New Orleans. For a time during the early winter prices advanced, as was usual in the lower river region at that season of the year when navigation was closed on the Ohio, but this seasonal advance was apparently somewhat less than usual. Then, with the opening of river commerce again in the spring of 1803, prices fell rapidly and remained very low throughout the year.[7]

Markets continued dull and prices low in the early part of 1804, but in the last half of the year a strong revival took place, which in 1805 carried the New Orleans index to a peak not again reached before the war. Boston prices, too, touched a high point in 1805; then at both cities prices during the next two years took a definitely downward trend. At both New Orleans and Boston the average for 1807 was very close to seven per cent under that of 1805.

With the Embargo of 1808 prices moved sharply downward both at Boston and New Orleans. At the Mississippi port the 1808 average was 14.7 per cent under that of 1807, and the drop at Boston was slightly more abrupt. In four years the annual average of prices at New Orleans had fallen over twenty per cent. In 1809 there was an irregular recovery, bringing a small increase in the annual index for each of the two years following the embargo. Then came a new decline down to the entrance of the United States into the world struggle in June, 1812.

The price movement in the last few years before the war calls for special comment. It should be noted that for both American indexes the 1810 average was lower even than that for 1807, which was the poorest of the three pre-embargo years. At Boston the downward movement from the improved prices of 1810 was moderate; at New Orleans it was severe. The annual index of New Orleans prices for 1811 was ten per cent under that for 1810, and many prices fell

[5] "Wholesale Commodity Prices in the United States, 1795–1824," *The Review of Economic Statistics*, vol. ix, pp. 171–183. In chart 2 the base period for the Boston index has been changed from 1810 to 1805–06.

[6] The *Palladium*, Frankfort, Ky., Sept. 16, 1802, from the *Guardian of Freedom*.

[7] See contemporary western newspapers, especially the *Independent Gazetteer* of Lexington, Ky.; and the *Guardian of Freedom* and the *Palladium*, both of Frankfort, Ky.

still further in the spring of 1812. The serious nature of this price situation can be appreciated only when it is realized that the lowest annual average appearing on the chart was that for 1811, and that, during the first four months of 1812, prices at New Orleans average much lower than for any other similar period during the time covered by the index.

The reader will have noticed that after 1808 there is an increasing divergence between the Boston and New Orleans indexes. The latter index moves up more slowly in 1809 and 1810 than does the Boston index, and the price decline in 1811 is decidedly more severe for New Orleans. In other words, the continuous downward tendency is much more clearly evident in one case than in the other. The cause of this spread seems to lie not so much in any real divergence of prices in the two markets as in the difference in the statistical procedure followed in constructing each index. Not only were there differences in the two lists of commodities which went into the indexes, but the New Orleans index is weighted while the Boston one is not. This calls for further comment.

As might be expected, the list of commodities used to construct the Boston index includes certain items such as coal and fish (alewives) which obviously would be out of place in constructing a price index for western products. On the other hand, the Boston index does not include such important Ohio River Valley products as hemp and tobacco.[8] The absence of hemp and tobacco prices from the Boston index is significant, especially for 1811. The price trend for tobacco after 1807 was much more sharply downward than for most commodities. Hemp, however, was high in 1808–10 but fell drastically in 1811. The divergent movements of the prices of these two commodities from 1808 through 1810 were such that they tended to neutralize each other. Yet the Boston index would most certainly have been considerably lower for 1811, had it been appreciably affected by these two commodities, for hemp crashed from the 1810 level and tobacco reached a new low annual average for the pre-war period.

But of greater importance is the fact that the New Orleans index is weighted, while the one for Boston is not. More exactly, each of the sixteen items which have been used in the construction of the Boston index is given equal weight with each of the others in the base year. Thus in the Boston study raw cotton and tallow candles have equal influence on the general index, whereas in computing the New Orleans index cotton was given eighteen times the weight which tallow received. So the strong downward trend of cotton prices from the pre-embargo peak has a greater effect upon the New Orleans than upon the Boston index. Similar effects from the use of the weighted average in the New Orleans study might be pointed out in other cases. However, the dissimilarities of the two indexes must not be over-emphasized. Despite the differences in method, it is significant that they are in rough agreement, that peaks and troughs come in identical years, and that the difference is a matter of amplitude and not of direction of price change. From 1805 to 1811 the average annual percentage decrease for the Boston index is 2.1 per cent, for New Orleans 3.8 per cent.

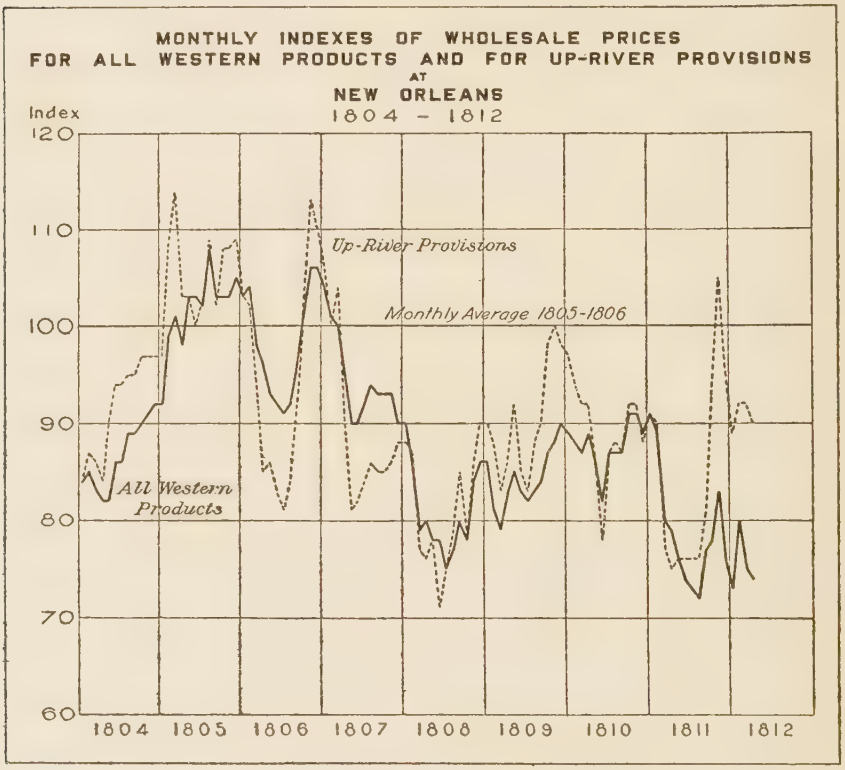
There is, of course, the ever-present danger that an index may neutralize

[8] Hemp is included in the Boston index of *imported* commodities, a highly proper procedure in constructing a New England index but certainly not for a western one. The same may also be said of sugar.

rather than reveal significant price movements. Moreover, individual series have especial significance for particular parts of the western country. Accordingly, before proceeding to a consideration of the prices paid for those products which the farmer bought, some brief attention will be given to the individual series which have gone to make up the general index.

Up-country provisions, grain and animal products, the most important of which are included in the index, were sent down the rivers from all parts of the

CHART 3



Ohio Valley. For the farmers of Ohio, western Pennsylvania, and western Virginia these products were almost the sole source of income. In Kentucky and Tennessee, too, they were important but were over-shadowed in many regions by hemp, tobacco, or cotton.

The price index for up-country provisions (shown in chart 3) has the same trend as that for western produce in general. The peak year was clearly 1805—the only one in which prices escaped a serious break during that season from January to July when the farmer-traders were crowding the river bank at New Orleans with flat boats heavily laden with country produce. In 1808 and 1811 quotations not only touched record low points but prices remained persistently depressed throughout the usual marketing months. Although prices showed an

upward tendency in 1809 and 1810, the annual index in neither of those years was equal to that for 1806 or 1807. The trend of prices, then, from 1805 to the eight or ten months immediately preceding the war was decidedly downward. The sudden rise late in 1811 did not come at a time of the year to benefit the producer. Country provisions were selling in New Orleans at prices somewhat higher than usual in February, March, and early April of 1812.[9] Late in April, news that the United States had established a general embargo on foreign trade reached New Orleans, and the papers of that city ceased to publish prices current.

Although Kentucky, along with other Ohio River Valley States, exported considerable quantities of grain and animal products, her two staples were tobacco and hemp. The position of the tobacco raisers of Kentucky in the pre-war years was decidedly desperate. Following the winter of 1805–06 the price of their product fell repeatedly to lower and lower levels (see chart 4). In the four years preceding 1808 the price of tobacco at New Orleans held fairly close to $6.00 a hundredweight. But the next four years saw disastrous price declines. For 1808 the average price fell below $5.00; in the two following years it did not average $4.25. After a temporary recovery in the early months of 1811, tobacco at New Orleans fell in May to $3.37½ and held there for the rest of the year. In the spring of 1812 there was a slight recovery, but by July tobacco had again fallen, this time to the record low price of $2.87½ the hundredweight.[1]

In view of what was happening to tobacco prices, it is not surprising that most Kentucky tobacco growers who found it possible shifted over to hemp. In 1808 hemp prices were nearly doubled as compared to earlier years. The farmers of the Kentucky blue grass region may have received as high as $8.00 a hundredweight for their 1808 crop.[2] Although no such extremely high level was maintained, prices continued exceptionally good. Hemp averaged about $6.00 a hundredweight for the next two years.[3]

During the last two months of 1810 the Lexington *Reporter* quoted hemp at $6.50 and $7.50 a hundredweight; the western hemp producers were enjoying their last prosperous season in the pre-war period. Word of renewed Russian competition in Atlantic markets reached Kentucky about the first of the follow-

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[9] The improved prices at New Orleans probably were not of as much help to the upper river producer as might be expected, for in part, at least, high prices at New Orleans were the result of the disorganized state into which the Mississippi commerce had been thrown for some months following the great earthquake of December, 1811. See a letter by James McBride, written on the Mississippi River, April 1, 1812, in "Brief Accounts of Journeys in the Western Country, 1809-1812," *Quarterly Publication of the Historical and Philosophical Society of Ohio*, vol. v, pp. 27–28. Freight rates from New Orleans to Kentucky which had been quoted in the *Louisiana Gazette* since 1805 at five cents a pound jumped to seven and one-half cents a pound soon after news of the earthquake reached New Orleans.

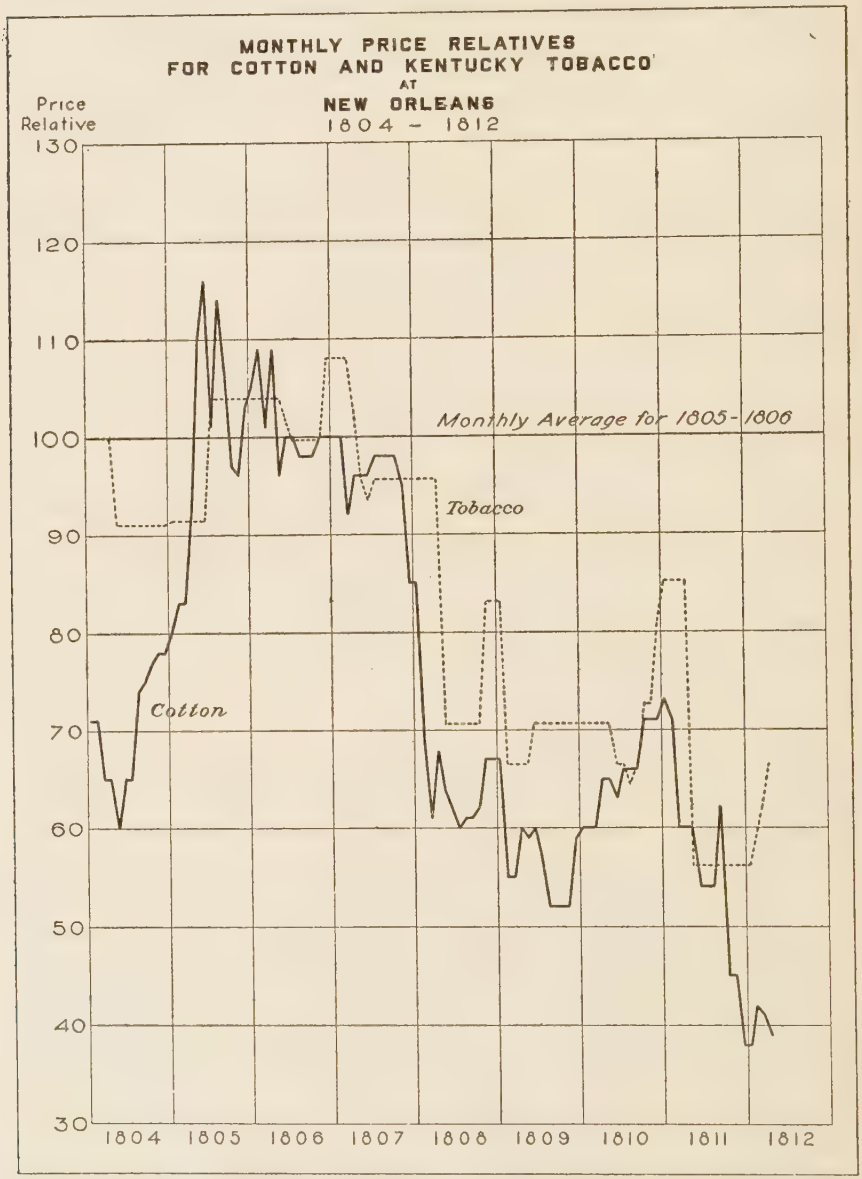
[1] The *Reporter*, Lexington, Ky., Aug. 1, 1812.

[2] The *Reporter*, Lexington, Jan. 12, 1811, and Brent Moore, *A Study of the Past, the Present, and the Future Possibilities of the Hemp Industry in Kentucky* (Lexington, Ky., 1905), app. 4.

[3] The *Reporter*, Lexington, Nov. 11 and Dec. 5, 1809; Jan. 19 and Feb. 2, 1811. Moore's prices for 1809, 1810, and 1811 are not in complete agreement with those which I have found. As he gives no citations, it is impossible to check his sources.

ing year, and prices fell precipitously from an average of $7.00 to $4.50 a hundredweight.[4] The decline proved to be more than a temporary one. By the

CHART 4



[4] See the *Kentucky Gazette* and the *Reporter*, both of Lexington, for December, 1810, and January and February, 1811, especially an item signed "Ploughman" in the *Reporter* for Jan. 19, 1811. See also Timothy Pitkin, *A Statistical View of the United States of America*, etc., pp. 197–198.

following spring the full effect of the Russian importations made itself felt, and three months before war was declared, hemp brought the ruinously low price of $3.00 a hundredweight in Lexington. There can be no question that the good prices for hemp helped to save many Kentucky farmers from serious hardship during the period of the Embargo and Non-Intercourse Acts. But the result was to make all the more serious the pre-war crash when hemp as well as tobacco prices fell to an extremely low level in 1811 and the first part of 1812.

Cotton prices were of paramount importance not only in Louisiana and Mississippi but also in Tennessee. Indirectly the whole up-country was affected by the prices received for the staple of the lower river region, since the demand for country provisions in the lower river markets must have been materially affected by the price which planters received for their cotton. The rapid introduction of cotton into the lower Mississippi Valley in the years immediately before and after the turn of the century was greatly stimulated by the high prices for cotton which then obtained. The Peace of Amiens brought a general decline in cotton prices, but they recovered again and at New Orleans averaged about 22 cents a pound in 1805 and 1806. This partial recovery proved only temporary, and the price of cotton continued to fall, with only a slight reaction in 1810, to the outbreak of the war.

The serious character of this decline in cotton prices is evident from a study of chart 4. By December, 1811, cotton planters were receiving only a little over a third of the price which had ruled in the same month in 1805 and 1806. Even in December, 1808, the price was twice that paid by the end of 1811. New Orleans prices remained below 10 cents a pound for the first half of 1812. On July 12 of that year, when the news of the declaration of war reached New Orleans, cotton prices fell from $9.50 to $5.00 a hundredweight.[5]

When it is remembered that cotton was the chief product of the lower Mississippi Valley and that it was by far the most valuable export from New Orleans, it is not easy to over-emphasize the importance to the West Country of this radical and long-continued price decline. Without dwelling on the earlier and even more severe price drop from the high level preceding the Peace of Amiens, we shall find it sufficient to call attention to the fact that both at Natchez and New Orleans the price of cotton had fallen by April, 1812, more than fifty per cent from the 1806–07 average. In fact, the prices quoted for the 1811 cotton crop were not only the lowest ever received up to that time, but they touched a low point probably not again experienced before 1826.[6]

In the foregoing, attention has been centered on the prices which western producers received for their output. It is obvious that the price trends which have been pointed out are of little significance without some knowledge of the prices which the farmers paid for the commodities which they purchased. Even though Kentucky tobacco might be declining in price, if costs in the blue-grass

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[5] Stephen F. Austin to Moses Austin, New Orleans, July 12, 1812, The Austin Papers, *Annual Report of the American Historical Association*, 1919, vol. ii, pt. ii, p. 216. For a good graphical representation of cotton prices from 1790 down to the present time, see O. E. Baker, *Atlas of American Agriculture*, pt. v, *The Crops*, section A, *Cotton* (U. S. Department of Agriculture, 1918), p. 20.

[6] O. E. Baker, *loc. cit.*

country were falling in the same ratio, farmers might have little reason to complain. Despite the self-sufficing nature of western rural economy, the farmers did need money for a number of purposes, and they were, as we know, constantly complaining of their lack of purchasing power. It is the purpose of the next few pages to examine the trend of prices of those goods and services for which the farmers spent their money or exchanged their produce.

The farmers' expenditures fall naturally into three classes: first, there were the goods they bought which were in turn the product of other west-country producers. The most striking example here is the dependence of the lower river cotton planters upon the Ohio River Valley foodstuffs. But there were other common though less important exchanges within the West. Some cotton from Mississippi and Tennessee was sent to the Ohio River ports. Louisiana cane sugar supplemented that which Ohio and Kentucky farmers made from the maple tree. Some of the lead from upper Louisiana was marketed in Ohio River towns, while manufacturers of iron and glass came down the river from Pittsburgh.

In so far as trade took the form of exchange within the West Country, price changes did not affect the region as a whole, although one group of producers might gain while another group lost. The only case where this intra-regional trade was important was in the purchase of west-country produce by the lower Mississippi Valley planters. In this case, declining prices of country provisions gave some help to the growers of sugar and cotton, but, at least in the case of cotton, the downward trend was so severe and continuous that food prices continued relatively high after the middle of 1808.[7]

The second form which the expenditures of west-country producers took was the payment for those commodities which were imported from the eastern states or from foreign countries. Fortunately many of the most important of these imports were listed in the New Orleans price current, and although probably more of these commodities were brought overland than found their way into the West via the Mississippi River, still the prices at New Orleans are acceptable as indicating the price trend of those goods which the westerners had to procure from the outside world. A complete list of these imports cannot be given, but the following ten, for which satisfactory price data were available, may, it is believed, be taken as fairly representative: blankets, chocolate, coffee (green), cotton cloth (5–4 wide), nails (10, 12 and 20 d.), yellow nankeens, Jamaica rum (4th proof), Russia sheeting, Hyson tea, and Madeira wine. A price index using these ten commodities was constructed by finding the simple arithmetic mean of the relatives. Information as to the quantity of each commodity imported was so completely lacking that any attempt at deliberate weighting seemed unwise. The original data were too meager to justify an index for 1804 or for March and April of 1812. For the period covered by the index the price series were so complete that but little interpolation was necessary.[8]

The index of import prices, which was constructed according to the fore-

[7] This may be seen by comparing cotton prices as shown in chart 4 with the trend for up-river provisions as shown in chart 3.

[8] In those cases where it was necessary, Method 1, as explained in footnote 2, pages 150 and 151, was used.

going procedure, may be studied from table 3 and chart 5. The chart also shows index for all western products, for most interesting from the standpoint of this study is the marked divergence of the two indexes beginning in 1807. While the prices for western produce were, on the whole, tending downward to the outbreak of the war, there is no such clearly defined trend for imported goods. Imports at New Orleans appear to have been relatively high in 1805 and to have

TABLE 3

MONTHLY INDEX OF WHOLESALE PRICES OF IMPORTED GOODS AT NEW ORLEANS, 1805–1812 (Average for 1805–06 equals 100)

	1805	1806	1807	1808	1809	1810	1811	1812
Jan.	100	101	98	91	97	100	92	89
Feb.	100	101	99	91	101	101	91	96
Mar.	100	98	96	91	101	101	90	
Apr.	101	99	97	91	102	102	90	
May	100	98	95	90	103	96	90	
June	100	99	94	90	103	99	88	
July	102	98	92	91	102	102	88	
Aug.	102	98	93	91	102	101	88	
Sept.	103	98	93	91	101	100	88	
Oct.	104	97	92	92	103	96	88	
Nov.	104	97	92	93	102	94	89	
Dec.	104	97	92	93	99	93	88	
Yearly Average	102	98	94	91	101	99	89	

followed a generally downward course for nearly two years thereafter. The average was high again for 1809 and 1810 but was decidedly lower for 1811.[9] It appears, then, that 1805 was the peak and 1808 the trough of the first cycle, while, in the second, 1809 was the year of highest, and 1811 the year of lowest prices for imported goods. But most significant is the spread between the two indexes after 1807.[1] In so far as this class of expenditures is concerned, the real incomes of the farmers were definitely lower in the years 1808 to 1812 than in the pre-embargo period.

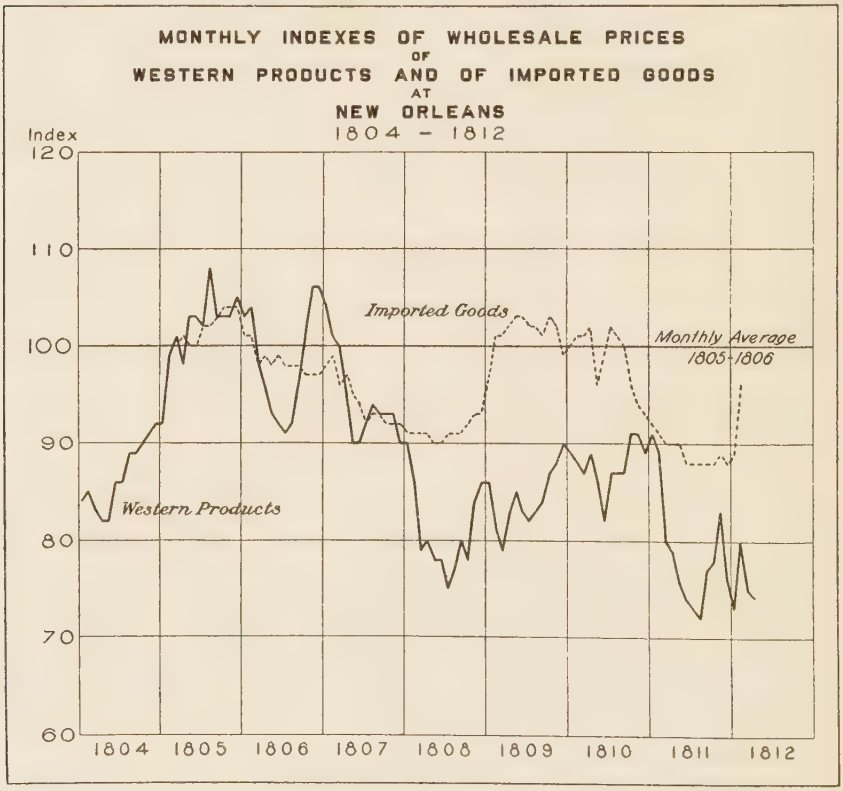
The third class of expenditures, and perhaps the class of greatest importance to the frontiersman, is made up of those which might be termed "production expenses." So far as can be discovered, neither the fixed costs nor the running expenses for carrying on agricultural production in the West at this period were undergoing appreciable changes. Wages, cost of negroes, and the expenses

[9] Professor Smith's index for imported commodities at Boston shows a trend not unlike that which has been found for New Orleans. However, two points of divergence may be noted. (1) In 1805 and 1806 prices of imports were relatively higher in New Orleans than at Boston. (2) Prices of imports at Boston were extremely high during the winter of 1808–09, whereas at New Orleans the advance in prices was much more moderate.

[1] In January, 1810, the Governor of Orleans Territory, addressing the Territoria Legislature, spoke of the embarrassments to commerce and said they had caused a diminution in the value of the product of Orleans Territory at the same time that the prices of imported goods had been augmented. Charles Gayarre, *History of Louisiana*, vol. iv, *The American Domination* (New York, 1866), pp. 222–223.

of river transportation did not fluctuate materially. Increasing rather than decreasing taxes were typical in the rapidly developing frontier communities. Perhaps the greatest single need for money on the part of many of the westerners was to pay interest on loans or to meet obligations arising out of land purchases either to the government or to individuals. But interest rates on long term loans must have been relatively stationary, and the price of federal land was not changed during this period. As for privately owned land, its price was certainly

CHART 5



not decreasing and may very likely have been generally going up. Prices of land in the Mississippi Territory were reported as being from two to ten dollars an acre in 1801, depending on the quality and situation. In 1808 improved land in the vicinity of Natchez brought twenty dollars an acre.[2] City lots in Louisville, Kentucky, are said to have remained fairly stable in price until about 1812.[3]

[2] James Hall, *A Brief History of the Mississippi Territory; to which is prefixed a Summary View of the Country between the Settlements on the Cumberland River and the Territory* (Salisbury, 1801), p. 23; Christian Schultz, *Travels on an Inland Voyage through the States of New York, Pennsylvania, Virginia, Ohio, Kentucky, and Tennessee, and through the Territories of Indiana, Louisiana, Mississippi and New Orleans: performed in the Years 1807 and 1808*, etc. (New York, 1810), vol. ii, pp. 138–139.

[3] H. M'Murtrie, *Sketches of Louisville and Its Environs* (Louisville, 1819), p. 115.

In Cincinnati the price of lots increased rapidly, especially in 1805 and 1811.[4] It may also be noted that land prices in Louisiana are reported as having increased very rapidly after the purchase.[5]

This study reveals a price situation which afforded a real basis for discontent among the early settlers in the West. If we take western producers as a whole, we cannot doubt that they experienced, from 1805 or 1806 down to our entrance into the European conflict, an increasingly disadvantageous situation as prices for their surplus produce fell to lower and lower levels in the New Orleans market. And the really serious aspect of this decline is truly appreciated only when it is compared with the unchanging or increasing expenses of production and the relatively unfavorable prices for imported goods.

[4] Daniel Drake, *Natural and Statistical View, or Picture of Cincinnati and the Miami Country, illustrated by Maps* (Cincinnati, 1815), p. 131.

[5] The *Louisiana Gazette*, New Orleans, Sept. 20, 1810.